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China Report

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No 2, 16 January 1986

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Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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STRICTLY CONTROL THE GROWTH OF CONSUMPTION FUNDS

Beijing RED FLAG in Chinese No 2, 16 Jan 86 p 2

["Forum"]

[Text] In order to ensure the continuous, steady, and well-coordinated development of the national economy and to create a good economic environment for the economic structural reforms, we should, first, control the scale of investment in fixed assets, and second, prevent the excessive growth of the consumption funds. Here, we will mainly discuss the second issue.

According to statistics, from 1979 to 1984, the consumption level of the urban and rural residents in our country rose by 57.7 percent, with the factor of price increases being deducted. The average wage income of workers increased by 58.6 percent, and the growth rate in real terms, with the factor of price rise being deducted, was 32.3 percent. In 1985, the total payrolls of units under national ownership in the whole country continued to increase by a big margin, and the growth rate of payrolls exceeded the growth rate of labor productivity in the same period. Ours is a socialist country, in which the development of production serves the purpose of improving the people's livelihood. All people in our country feel from their personal experience that since the 3d Plenary Session of the 11th CPC Central Committee, the livelihood of urban workers has markedly improved. However, why are some people still discontent with the present situation? This is mainly because they lack a comprehensive understanding of the relationship between economic development and the consumption level. The more they compare their wages with other people's wages, the more discontent they will harbor.

Consumption is determined by the situation in production. Our country has a population of 1 billion people. The large population is also a factor that holds back the enhancement of the consumption level. In recent years, our economy has been developing rapidly and substantially. However, our economic foundation in general is still rather weak. The national income in 1984 was 564.3 billion yuan, and the per capita income was merely 548 yuan. Our consumption pattern cannot deviate from this basic fact. Under the situation in which a basically reasonable rate of accumulation is maintained and the economy needs relative stability, the growth rate of consumption funds must not exceed the growth rate of national income. Otherwise, the accumulation will decrease relatively, or prices will go up as a result of the excessive use of national income. The appearance of these things will be very unfavorable to reform and construction. Moreover, we are now implementing the principle of "distribution according to work." According to this principle, mental workers, whose work is more complicated, should gain higher remuneration than manual laborers. But things in the past years were different, and mental workers generally received lower pay than manual workers. This is an unreasonable phenomenon which needs to be changed through further readjustments. There should be a certain difference in remuneration for workers in different enterprises, with workers in the enterprises which are more efficient in production and operations and achieve better business results being able to enjoy higher pay. However, the difference must be appropriate, and the gap must not be too wide. We will not backtrack to the egalitarian system we pursued in the past, but we must also take some regulatory measures to prevent the appearance of a big gap in workers' incomes between different enterprises. If the pay difference is too big, enterprises will tend to vie with each other in raising wages, and this will lead to a swelling of consumption funds. Some enterprises have gone so far as to use their production funds to issue bonuses to their workers without regard for their long-term development, and some enterprises have even taken such means as doing work below standards, using inferior materials, cooking up accounts by exaggerating production costs, and withholding profits and taxes that should be turned over to the state treasury, and they have done all this in violation of the relevant policies and financial discipline. All these irregularities must be corrected.

When handling the issue of wages, all enterprises, institutions, and units must have an overall viewpoint and subject their own interests to the interests of the whole nation so as to properly coordinate the relationships between the three parties--the state, the enterprise, and the individual worker. In order to raise the income of their workers, they should try by every possible means to raise their economic efficiency, especially by improving product quality and lowering costs. Now our major industrial departments' labor productivity is 20 to 30 years behind that of the economically developed countries, and the employment rate in our country with a large population is rather high. Under these circumstances, we cannot raise our wages, bonuses, and welfare benefits to too high a level. If these things are raised too high, we will not be able to pull them down again. This will not bring real benefits to the working masses and is very likely to cause a swelling of consumption funds and to make our economy "decrepit" and less dynamic. In a word, such a situation is never good for the state or for the people. All our actions must be in line with the national conditions of China. We should continue to work hard and adhere to the principle of "building the country through diligence and frugality." We must take serious measures to control the growth of the consumption funds as we do to control the scale of investment in fixed assets.

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CENTRAL ORGANS MUST SET AN EXAMPLE FOR THE WHOLE COUNTRY--SPEECH DELIVERED ON 9 JANUARY 1986 AT THE MEETING OF CADRES OF CENTRAL ORGANS

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 3-6

[Speech by Hu Yaobang]

[Text] Comrades: The first 5 years of the 1980's have passed, and the second 5 years, that is, the Seventh 5-Year Plan period, have already begun. This meeting has been in progress for 2 and 1/2 days. I believe that this is of great significance.

Comrade Tian Jiyun discussed the economic situation and the reform of the economic structure. Comrade Wang Zhaoguo discussed the improvement of discipline and work style in central organs. On behalf of the Military Commission, Comrade Shangkun talked about the situation in the Army and the correction of the party style. They have spoken well, representing the views of the central authorities.

How was our performance during the first 5 years of the 1980's? I believe that there are two "truly's." First, we have truly created a new situation, and entered a period of rejuvenation. At least, there is such a trend. Second, we have truly found a road to build socialism with Chinese characteristics. At least, we have seen such a pattern. Although we still have many problems and difficulties and will face even more problems in the future, we, nevertheless, have already seen bright prospects in the development of the socialist modernization program for our great motherland. Having passed through the first 5 years of the 1980's, all of us realize that it was not easy to achieve the accomplishments and victories in these 5 years. Since the 3d Plenary Session of the 11th CPC Central Committee, held at the end of 1978, our party Central Committee has made a series of major policy decisions. These major policy decisions are mainly reflected in the following nine principles:

1. Deny the erroneous principle of "taking class struggle as the key link," and based on China's practical conditions, set forth the strategic target of quadrupling the gross annual value of industrial and agricultural production by the end of the century.

2. Thoroughly negate the "Great Cultural Revolution," analyze the historical experience since the founding of the nation, and make a correct assessment of the late Comrade Mao Zedong.

3. Practice the policy of opening to the outside world and invigorating the domestic economy, and reform gradually but resolutely the rural and urban economic structures.

4. Redefine the national defense policy in line with new historical conditions.

5. Readjust the basis for China's foreign policy, and firmly carry out an independent and peaceful foreign policy.

6. Consolidate and expand the patriotic united front, and implement the scientific concept of "one country, two systems" to achieve the reunification of the motherland.

7. Resolutely and gradually reform the cadre system to replace large numbers of old members of the leading bodies at all levels with new younger ones.

8. Define the strategic principle of simultaneously developing the socialist civilization ideologically and materially in order to build China into a highly democratic and civilized socialist country.

9. Consolidate party organizations, and build the party into a strong core of leadership that can take the lead in the development of the socialist modernization program.

All these are important policy decisions that have brought about profound changes. These policy decisions have played a significant role in helping us create the new situation in the past 5 years. Comrades may recall: When we first put forward issues, there seemed to be endless discussions. After being verified by the experience of various departments and the broad masses, conclusions were finally reached with the approval of the majority of the comrades. It is easier to deal with the issues once a breakthrough has been made. Therefore, the main lesson to be learned from the past 5 years is that we must adhere to the four cardinal principles and rely on the firm leadership of the party Central Committee and its lines, principles, and policies that promote intellectual emancipation, the seeking of truth from facts, and the united efforts by the whole party, the entire Army, and the people of all nationalities throughout the country.

What should we do in the second 5-year period in the 1980's? The National Conference of Party Delegates last year has already formulated the general principles of the Seventh 5-Year Plan. The State Council is currently working on the draft Seventh 5-Year Plan and making preparations to refer it to the Fourth Session of the Sixth NPC for deliberation and approval. This session will be held in March this year. The general tasks for the next 5 years are to carry out economic restructuring and build an ideologically sound socialist civilization, while continuing economic construction. In this way, our socialist modernization drive can continue developing in a sustained, steady, and coordinated manner in all fields.

We should say that we already have many favorable conditions for carrying out these tasks as the whole party and nation share a unified ideology; our policies are clearer and more systematized; the structure of cadre ranks has been further rationalized; and the international environment is more favorable for China to concentrate on its socialist modernization drive. We have a correct line, correct blueprint, and a series of favorable conditions. Under this situation, the most important thing is to further whip up the revolutionary spirit of our broad masses of party members, cadres, and the hundreds of millions of people. Is not the RENMIN RIBAO new year editorial titled: "Let the Spirit of the Foolish Old Man Prevail in the Divine Land"? I believe: To carry forward the spirit of the foolish old man means to turn the second 5 years of the 1980's into a period of unity, firmness, and tenacity in struggle.

To stress unity in struggle means that all the people must closely unite with each other around the correct line, principles, and policies laid down by the party Central Committee. Everyone should act while taking the overall situation into consideration.

To stress firmness in struggle means that everyone should work conscientiously and stress practical results. They must never slacken their efforts, and become lethargic and careless. They must avoid committing serious mistakes and prevent major upheavals.

To stress tenacity in struggle means that everyone should carry out their work with firm confidence and tenacity in accordance with the correct line, principles, and policies laid down by the central authorities, and continuously improve and develop their work. What we need are these two types of tenacity. That is precisely the spirit of the foolish old man who "went on digging away at the mountain."

Exactly 40 years ago, Comrade Mao Zedong, at the Seventh National CPC Congress, held in 1945, called for efforts to carry forward the spirit of the foolish old man. At that time, such efforts were aimed at eliminating the three big mountains on the backs of the Chinese people. Now, in order to achieve our goal in construction set in the Seventh 5-Year Plan and realize the three major tasks to be accomplished before the turn of this century as laid down by Comrade Xiaoping on behalf of the party Central Committee, shouldn't we do an even better job in carrying forward the spirit of the foolish old man on a still larger scale? In developing social productive forces, we need the spirit of the foolish old man. In reforming our structure in an overall manner, we require the spirit of the foolish old man. In strengthening our efforts to build ideologically sound socialist civilization, we need the spirit of the foolish old man. In overcoming unhealthy trends, we must be resolute and persistent. At the same time, we also need the spirit of the foolish old man. The spirit of the foolish old man is the Chinese nation's precious spiritual wealth and the fine tradition of our revolutionary ranks. By carrying forward this type of spirit, we will be able to further develop the new situation that we have already created.

The central organs shoulder particularly heavy responsibilities in further developing our great cause. The central organs I mention here refer to departments directly under the Central Committee, the NPC, the State Council, the National CPPCC Committee and the various mass organizations, and the leading organs of various PLA general headquarters and various arms and services of the PLA under the Central Military Commission. The central organs play a pivotal role in our entire cause. Whether this pivot works well or not determines, to a large extent, the rise or fall and the success or failure of our cause. Therefore, we must firmly put forward a major political task for the central organs; that is, it is necessary to set an example for the whole country with one's own lofty spiritual outlook and fine work style.

The overwhelming majority of comrades in the central organs are good or fairly good. The achievements and victories we have scored in the first 5 years of the 1980's are inseparable from the efforts of the central organs. However, there are also some weak points and dark sides in the central organs, which have prevented a number of units and comrades in the central organs from adapting to the demands of the modernization tasks and to effectively perform their weighty responsibilities.

It has become a long-standing habit that whenever a problem arises, instead of holding the leading organ responsible, lower levels are always blamed. In most cases, it should be the opposite. Such an error should be corrected.

What are the problems that the central organs should pay attention to, and in what areas should they play an exemplary role in the second half of the 1980's? In my opinion they should mainly pay attention to the following four areas:

First, it is necessary to raise the efficiency level. An important concept we want to foster now is that we must stress efficiency in all fields. We should not demand efficiency from the lower levels alone, but should set a good example ourselves in this regard. This requires a strong sense of responsibility. The overwhelming majority of comrades in the central organs are, in general, hard working. However, comrades in a few departments have become too bureaucratic; they are inefficient and have the undesirable work style of endlessly shifting responsibility onto others. Therefore, in order to truly become the central authorities' competent assistants, all central organs should strive to eliminate bureaucratism, step up investigation and study, familiarize themselves with reality, and constantly improve their own work. It is necessary to resolutely carry out matters that are already decided upon by the central authorities and carefully mapped out by various departments, and that are assured of success. It is necessary to consult with lower levels and nonparty friends on matters that we are unfamiliar with or are not sure will succeed. New situations and problems arising in the course of implementing a policy should be promptly reported to higher authorities and studied in order to find a solution. It is necessary to keep the central authorities informed of the progress in implementing an important measure having a bearing on the overall situation, even though we are sure of its success. Only by striving to do so can we raise our efficiency level, greatly reduce bureaucratism, and have the capability to influence and spur leading organs at lower levels.

Second, it is necessary to study diligently. Along with the progress in the modernization drive, the scope of our tasks will become larger and more complex, and more and more new things will continue to emerge. In view of this, comrades in the central organs should study more diligently and constantly improve themselves. Honestly speaking, our knowledge, experience, and ideological levels are quite incompatible with the socialist modernization drive that is bringing about changes day after day. It is totally wrong to be even the slightest bit complacent about the knowledge and experience one has already acquired. Study and improvement should include the following two fields: Marxism, in addition to modern science, technology, general knowledge, and management and other necessary special knowledge. We must adhere to Marxism, and be firm in communist and patriotic ideals. Marxism is developing. We must oppose not only the tendency toward bourgeois liberalism, which negates Marxism and considers it "outdated," but also the erroneous tendency to consider Marxist theories as stereotyped dogmas. The quintessence of the correct attitude toward Marxism is to apply a Marxist stand, views, and methods in studying and solving practical problems confronting China; that is to better integrate the fundamental tenets of Marxism with concrete practice in China's socialist modernization program. Although we have accumulated valuable experience in our flourishing socialist modernization drive and reforms, the experience far from meets our needs. While deepening the reforms, we should more effectively absorb and master all kinds of knowledge needed for our socialist modernization drive. If the large number of comrades in the central organs, especially responsible comrades of all departments, can fully grasp both the ideological weapon of Marxism and modern science, general knowledge, and management knowledge, we will be able to more successfully accomplish the duties entrusted to us by the party and the people.

Third, it is necessary to reinforce discipline. As I have just said, the overwhelming majority of comrades in the central organs are good and observe discipline. However, due to the inroads of capitalist ideology and the damages done by the "Great Cultural Revolution," many departments lack a true sense of discipline. There are quite a few problems in this regard, such as political liberalism that spreads irresponsible statements and news spread "through the grapevine," ideological individualism that places personal interests above anything else and totally neglects the fundamental goal of serving the people wholeheartedly, or even involves crimes of abusing power to seek personal gains in violation of law and discipline; selfish departmentalism that considers only the interests of a small group or unit regardless of the long-range fundamental interests of the whole nation; favoritism through "connection" in personnel and administrative work that discards principles and behaves in unfair and dishonest ways; misconduct in foreign contacts that undermines individual and national dignity, and so forth. Although these problems involve only a handful of people, they can produce a corrosive influence on political affairs. Therefore, it is necessary to intensify the supervision from top to bottom levels and vice versa in all central organs. At the same time, it is necessary to reinforce law and discipline to ensure that the laws are strictly observed and enforced and that lawbreakers are punished. The larger an organ the greater the power entrusted to it by the people. Comrades in such organs should observe party discipline and state law all the more strictly in order to become real models imbued with lofty communist ideals and a strict sense of discipline.

Fourth, it is necessary to strengthen party spirit. The party rectification work has been completed in the central organs, but the task of enhancing party spirit has yet to be achieved. Comrades in the central organs, leading members in particular, should always keep in mind their purpose of serving the people heart and soul and further strengthen the party spirit. Party organizations of the central organs, first and foremost the party committees and party groups of all departments, should improve inner-party life, overcome their weak and lax attitude, conduct wholesome criticism and self-criticism, pay attention to the voice of the masses of people, and subject themselves to the supervision of the broad masses, including those in lower-level departments. It is necessary to investigate the responsibility of leaders of units that are lax in discipline and work attitude, and that fail to correct prevailing unhealthy practices. On behalf of the CPC Central Committee, I announce with all seriousness that according to the party Constitution and regulations, all loyal and honest comrades, both inside and outside the party, have the right to report truthfully to the party Central Committee about serious wrongdoings by leading members of organizations at all levels including the Central Committee.

Through our earnest and unremitting efforts to carry out the aforementioned four requirements great changes will soon take place in the style of the central organs. Then, the more than 20 million government employees all over the country and the entire Chinese people will follow our example.

Comrades in the central organs: History has brought us to our present posts. It is an ardent hope of the party Central Committee and the people of all nationalities in the country, as well as our unshirkable sacred duty, to set examples for the whole country under the new historical conditions. We should prove, with a high degree of awareness and concrete action, that we deserve the glorious mission that has fallen upon the shoulders of the central organs.

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EXPAND THE ACHIEVEMENTS OF REFORM, MAKE THE COMMODITY ECONOMY PROSPEROUS--SPEECH DELIVERED ON 12 DECEMBER 1985 AT THE CENTRAL RURAL WORK CONFERENCE

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 7-13

[Speech by Tian Jiyun]

[Text] At the beginning of this central rural work conference, Comrade Wan Li delivered a very important speech, in which he briefly reviewed the course of rural reform and generally summed up our basic experience of rural reform. His speech is of great significance in henceforth guiding both rural and urban reform. I will now present some views on the following questions:

Current Situation

A correct analysis and understanding of the current economic situation, including the rural situation, provides us with the precondition and basis for making a correct estimate and formulating a correct working plan and guidance. At present, both the political and economic situations in our country are very good, and the current period is one of the best since the founding of the People's Republic. The people of the whole country are united as one in understanding the "four modernizations," and it is full of vitality everywhere. We have made new progress in reforming the economic structure this year. We are anticipating a considerable increase in both the total product of society and the national income. Some problems, such as an excessively high industrial growth rate and the scope of capital construction being too big, once appeared in the first half of this year. Thanks to efforts to improve the management of macroeconomic activities, these problems have initially been brought under control and our economic life is gradually becoming normal. We will be able to achieve a balance between state revenues and expenditures and to eliminate deficits this year. The market is brisk. With the exception of a few areas, the people's basic needs in food and clothing have been met in most of them. In some areas, the work has begun to shift from meeting the people's basic needs to enhancing the quality of their lives. In short, we have developed production, begun to invigorate circulation, increased our national strength, and gradually improved the people's living standards.

The rural situation also is very good. Despite serious natural disasters, peasants have reaped good agricultural harvests and their per capita income continues to increase this year. An important step has been made in readjusting the production setup in rural areas. Output of all cash crops and in diversified undertakings increased by a big margin, except in grain and cotton. Since the abolition of the state mandatory purchase system, the channels for commodity circulation have increased and expanded, and business operations have become flexible. The system of contracted responsibility for production with remuneration linked to output of various forms has been further improved, and new progress has been made in community oriented services. The rapidly growing village and town enterprises have employed some 60 million rural people. Their total output value this year is estimated to reach 230 billion yuan, accounting for an important portion of the gross value of China's industrial and agricultural production. Village and town enterprises run by peasants have accelerated the construction of small towns and sped up modernization of the countryside. China's agriculture has taken a new step in switching from a self-sufficient or semi-self-sufficient economy to a commodity economy. In many localities, a new setup has appeared featuring all-round development of agriculture, forestry, animal husbandry, sideline production, and fishery and comprehensive operation of agriculture, industry, and commerce.

I will make a specific analysis of the situation in grain and cotton production. The reduction in the cotton-growing area and in cotton output this year has been planned. Since our present cotton stock is still too large, the reduction benefits both the state as well as the peasants. Of course, the reduced output was also partly due to climatic conditions. It is estimated that this year's grain output will decrease by some 50 billion jin as compared with last year. Serious natural disasters were one of the causes for the decrease. While natural disasters are unavoidable, poor maintenance of water conservancy facilities in recent years has aggravated the losses caused by natural disasters in some localities. The second cause for the decreased grain output was readjustment of the production setup, which returned cropland to forest and pastureland, thus reducing the grain-growing area. Generally speaking the decrease caused by the readjustment of the production setup is normal. Another cause for the decrease was that management and operation in some localities were poor and some problems existed in their work. We should indeed attach importance to the grain problem. Appraisal of the situation in grain production should not be based on the harvest of 1 year. Because agriculture is greatly affected by natural conditions, it is hard to expect an increase in production every year. It would be pretty good if a fairly big average annual increase is achieved in a period of 5 years. Our country has enjoyed good harvests for 6 consecutive years, with an average annual increase of 34 billion jin in grain output. This year's grain output was still close to that of 1983, a year of bumper harvest. At present, the state has an abundant grain stock and the peasants have also stored some grain. We can fully guarantee market supply. Grain supply in some localities may be a little strained, but this creates no problem if we make up for the shortage by using surplus grain from other areas. It is necessary to pay attention to the fact that some localities have failed to proceed from actual conditions in readjusting the production setup. They have failed to ponder in an adequate and all-round manner over existing problems or over problems that may crop up, and the pace of readjustment has been slightly too fast. Capital construction projects and housing construction by peasants have taken up too much land. The result has been an abrupt decrease in the acreage under grain. In some localities, the peasants' enthusiasm for grain production has been dampened by the comparatively large gap in income from grain production and from industrial and sideline production. This gap can be attributed to price rises in the means of production, excessive burdens on grain-producing peasants, and difficulties in selling grain by peasants due to laxity in grain procurement work. We must earnestly study and solve these problems by strengthening macroeconomic management and microeconomic regulation, and properly handle and smooth the relationship between economic benefits from grain and other production. At the same time, we must readjust the production setup and ensure the peasants' enthusiasm for grain production.

In short, in making an appraisal of the agricultural situation, we must not only survey the situation in grain production but must bear in mind the entire rural economic situation. In making an appraisal of the rural situation, we must not only survey the agricultural situation but must link it to the entire national economic situation. Making an all-round survey of the rural situation, we can clearly see that the situation is indeed very good. Through reform we have discovered a path for building a new and modern socialist countryside. Today's achievements are largely the result of reform. Tomorrow's progress also hinges on reform and on the continued perfection of the socialist system. Of course, we must also realize that some policies have not been carried out and some reform measures have not been properly coordinated. The building of spiritual civilization has not been firmly grasped. And, in the course of developing a planned socialist commodity economy, many new situations and problems are encountered. We must fully affirm the achievements scored so as to enhance our confidence. We must also squarely face, and not dodge, the existing problems in the way of advance in order to take measures to tackle these problems. Only thus can we advance and spur on rural reform and construction along the correct orientation.

Several Policy Issues

In recent years, the party Central Committee has drawn up a number of policies on reform and work in the rural areas. These policies have promoted the development of the rural productive forces and quickened the pace of building a new socialist countryside. Practice shows that these policies are correct. Agriculture is the foundation of the national economy while grain is the foundation of agriculture. The fact that China's entire national economic situation has been fairly good over the past several years is chiefly because its agriculture has been strengthened, thereby basically solving the food problem for its 1 billion people. At the same time, conditions have also been provided for the readjustment of the rural production setup and the development of the commodity economy. The rural economy has definitely undergone a great change. Nevertheless, the strategic status and role of agriculture in China's entire national economy has not changed. Without a solid agricultural foundation, it is inconceivable that we can accomplish the four modernizations. It is also inconceivable that we can solve the food problem for China's 1 billion people by importing grain. We must soberly realize that this agricultural foundation is still comparatively weak, and that the rapidly developing national economy increasingly sets higher demands on agriculture. Continuing to strengthen this agricultural foundation and ensuring steady growth in grain production on an 800-billion-jin [annual output] basis is not only necessary for the overall situation but also of great political and economic significance.

The fundamental principle for guiding agricultural production is "never to slacken grain production and to actively develop a diversified economy." Steady growth in grain production is a precondition for readjusting the rural production setup. The fact that we could carry out readjustment of the production setup in the past 2 years is because of the successive bumper grain harvests. If grain production fails to maintain steady growth, readjustment of the production setup can hardly continue. Of course, to stress grain production does not mean to neglect diversified economy, to neglect forestry, animal husbandry, fishery, and economic crops, and to return to the beaten track of monoculture, that is, "taking grain as the key link." We have followed this "beaten track" for several decades, and practice tells us that this track leads us nowhere. We must firmly stick to the correct path of readjusting the rural production setup, and must not veer off course merely because of a momentary drop in grain production. To readjust the rural production setup is to meet the objective demand of speeding up specialization, commercialization, and modernization of the rural economy. To stress grain production and to develop diversified economy and village and town enterprises is not contradictory. In fact, they supplement and complement each other. It is true that without industry we cannot expect prosperity. But it is also true that without agriculture we cannot ensure stable economic development. The correct approach is to ensure industrial development by agricultural production, and to promote agricultural development by industrial production. Only by sticking to this approach can we gradually bring about self-sustained growth in the rural economy. Only thus can we bring about the coordinated development of a comprehensive production setup with agriculture as the foundation and supplemented by diversified production, while properly lining up resources, funds, manpower and technology to bring about a combination of economic, ecological, and social benefits. The production setup reflects the level of the productive forces. It calls for gradual readjustment in keeping with the development of the productive forces, and must never be brought about in a hurry. Readjustment of the rural production setup is a historical task and a gradual process. In accordance with needs and capabilities, we must unswervingly, boldly, vigorously, and reliably carry out this readjustment step by step, in a planned manner.

Continuity is of great importance in rural work. The party Central Committee has drawn up a whole set of policies for rural work. Among them are many of a strategic and long-term nature, while some of the tasks cannot be accomplished in 1 or 2 years. The current rural and urban reforms are becoming more closely interrelated and must be carried out at the same time. Some problems are relatively complicated and require more time for careful study. Hence, in 1986 we must carry out the various existing policies in a down-to-earth manner, and at the same time further perfect, coordinate, and bring into play the advantages of these policies in their entirety in order to continue to create conditions for reform and its success. These guidelines are already included in Comrade Wan Li's speech and the documents submitted for discussion at this conference. Now, I would like to present some opinions on some economic policies.

1. Improve the grain allocation policy. According to preliminary planning, our country's grain output should reach 900 billion jin in 1990, or take one step upward in 5 years. This is an arduous task. All provinces should work out their own plans according to this general objective. In accordance with the actual allocation amounts of the past several years, they should also plan for grain export or import and work out subsidizing measures. A specific plan will be drawn up by the Ministry of Finance and the Ministry of Commerce. The subsidy amount a grain importing province saves by reducing its imports may be used to subsidize shortages in lean years, or to support the development of grain production. The price of grain allocated should be appropriately raised, but the increase should be borne by grain importing provinces, and the price for the portion that exceeds the allocation plan should be negotiated. From now on, all provinces should solve their own problems regarding the additional grain they need for feeding their increasing population and meeting the needs of economic development. They can produce more by themselves or increase their purchases from other provinces. Such a policy has several advantages. First, it will gradually help achieve in our country a grain production and demand pattern based primarily on regional balance, thus reducing large-scale, nationwide grain transfers. Second, it will help maintain a steady increase in grain output in the country on the basis of 800 billion jin, thus preventing drastic increases or decreases. Third, it will help regulate the economic interests between grain importing provinces and grain exporting provinces, giving full scope to their respective superiorities. Fourth, it will enable all provinces to properly plan their grain production and readjust their production structure according to their capabilities.

2. Adopt a policy of subsidizing agriculture with industry. Agriculture must continue to invigorate itself so that it can continue to develop. But, we must also uphold the policy of subsidizing agriculture with industry. This policy covers many areas. For example, the state will appropriately increase investment in agricultural construction, improve conditions for agricultural production, strengthen infrastructure to develop a commodity economy, subsidize the purchase of imported or domestically produced means of agricultural production, reduce or eliminate taxes, provide preferential loans, and the like. Various departments concerned have been studying specific measures in this regard, and the measures should be implemented as soon as possible. Today, the work that we must particularly attend to is to support farming and breeding (primarily grain and pork production), as well as vegetable production in the suburbs of large and medium-sized cities, and appropriately readjust the economic interests between those working in the industrial sector and those working in the agricultural sector. This readjustment is particularly necessary in areas where the economy has fairly developed and where rural enterprises are growing quite quickly. There is now a relatively big gap between income from growing grain and income from engaging in industrial production, sideline occupations, and commercial work,

but it is impossible to raise grain prices so that the income from growing grain will be the same as the income from engaging in industrial production, sideline occupations, and commercial work.

To stabilize and develop agricultural production, especially grain production, we must adopt other measures to protect the peasants' enthusiasm for producing grain in addition to exercising such overall control measures as ensuring the size of the grain acreage and encouraging cultivation of appropriate areas. Subsidizing agriculture with industry is therefore an essential as well as long-term policy in properly handling the economic interests between different sectors.

Various ways should be adopted to support and encourage farming and breeding undertakings, and the money needed for subsidizing agriculture should primarily be drawn from the earnings of enterprises in various townships, towns, and villages. Many places have already done so, and their good experiences should be earnestly studied and popularized. Meanwhile, the state has decided to spend part of the additional taxes imposed on rural enterprises to support agriculture. Specific measures will be discussed and decided upon by the Ministry of Finance and other departments concerned. The revenues acquired from collecting bonus taxes from the rural enterprises should be turned over to various townships to support agricultural production and rural insurance services. From their surplus, all localities should earmark more money for agriculture.

3. Appropriately readjust the fixed amount for contract purchase of grain. This applies mainly in the localities where the potentials for grain production can be further tapped and there is not much room for other production. The amount of grain to be purchased by contract will be appropriately reduced, and the amount to be purchased at negotiated prices increased in order to arouse the peasants' enthusiasm for growing grain crops. This is a relatively complicated matter. Specific methods should be worked out by the Ministry of Commerce after consulting with the concerned departments and localities and proposed for approval by the State Council before implementation.

4. Guide the village and town enterprises to develop in a sound manner. Developing village and town enterprises is the road China must follow in invigorating the rural economy. Generally, the development of village and town enterprises should be based on and geared to serving agriculture. The emphasis should be placed on developing the processing of agricultural products and the storing, packing, shipping, supplying, and marketing of such products and other tertiary industries. Where conditions permit and provided the relevant regulations of the state are adhered to and natural resources protected, small mining, hydroelectric power, and building materials industries and processing businesses that supplement big industrial enterprises and serve export may be developed in accordance with the local conditions. In setting up village and town enterprises, the localities should base themselves on the principle of self-reliance and depend mainly on their own funds, and the banks should support them by providing appropriate loans. The scale of capital construction for village and town

enterprises should also be included in the plan. All village and town enterprises should strengthen management, pay attention to technical renovation, improve product quality, cherish their reputation, increase economic results, and fortify their competitive capability. Village and town enterprises in economically developed localities should focus attention mainly on renovation and take the road of developing potentials for expanded production.

5. Further perfect the system of fixed-amount purchase of farm and sideline products by contract. To practice the system of contracted purchase of fixed amounts of farm and sideline products is a good way to guide production, link up production and marketing, and protect the interests of the peasants. The state has carried out contracted purchase of grain and cotton this year. This reform is in the right direction and on the right track. We need to gradually perfect the systems and methods in this area in accordance with the local conditions.

Some localities have suggested that the target of fixed-amount purchase of grain and cotton is best when fixed and unchanged for a period of several years with appropriate adjustments made between good and bad harvest years. This is a very good idea. All localities may put this into practice on a trial basis. Many localities are also now carrying out contracted purchase for other principal farm and sideline products. In these contracts, they have spelled out the varieties, amounts, quality standards, delivery schedules, prices and other conditions that should be clarified. Results of this practice have been good. The localities should pay attention to summing up and popularizing the experience in this respect. In carrying out the system of contracted purchase at a fixed amount, it is necessary to implement the principle of consulting the peasants in doing things.

Here, I would also like to make a special point on the need to do a good job in the production and supply of vegetables in large and medium-sized cities. Vegetables are a daily necessity indispensable to the people. Lifting vegetable price controls represents a major aspect of the restructuring of the economic system. It is also a topic of popular concern. To successfully carry out the restructuring of vegetable purchase and marketing is not only an economic but also a political issue. Leaders at all levels must be deeply concerned about the people's vegetable basket. In order to do a good job in vegetable production and supply in large and medium-sized cities, attention should be directed mainly to the following two points. First, in the production and supply of vegetables, it is necessary to implement the principle of relying mainly on the inner suburbs, making the outer suburbs subsidiaries, and depending on other cities for adjustments. Suburban areas of large cities should take a combination of economic and administrative means to ensure that a certain acreage of land is set aside for growing vegetables and that the designated land is fully utilized and the vegetables are well tended. Furthermore, they should establish a relatively stable relationship of purchase and marketing with other localities in the form of a contract so as to have a reasonable supply network available. Second, in the management of vegetables, it is necessary to practice the method of relying on the joint efforts of the state, the collective, and the individual. Active efforts should be made to run various forms of wholesale markets. They can be run jointly with other cities or in the form of a joint venture of the agricultural and commercial sectors. Active support should also be given to the suburban peasants so they can come directly into the cities to sell their vegetables wholesale. All localities should support such peasants in regard to the space and funds needed. They should ensure that agricultural trade fairs are run well and that peasants are allowed to sell their vegetables there. State-operated vegetable corporations should actively involve themselves in market regulation by securing the source of most of the popular varieties of vegetables so as to regulate supply and demand and keep prices down. Retail vegetable stores run by the state and the collective should make serious efforts to manage vegetables well and adhere to the state policy on prices in an exemplary way. When necessary, a guided price system should be instituted for some principal varieties of vegetables.

In summary, to enliven the rural economy and develop commodity production, we must rely mainly on economic means while also using administrative and legal means to strengthen control and regulation. The call for enlivening the economy should by no means be wrongly construed as doing away with control. Lifting controls is by no means doing away with control.

6. Appropriately adjust the prices of some products. This year we have made rather big strides in reforming the price system. We must consider the capacity of the state, enterprises, and masses to tolerate price reform, and there is also a need for further consolidation and improvement on the reform measures already put into practice. For this reason, we should adopt a basically stable price policy next year. While keeping the general price level of agricultural products basically unchanged, prices of certain products should be adjusted, some up and some down. It is essential to implement the principle of higher prices for better quality products and to appropriately widen the gap in prices based on quality. The procurement prices for soybeans should be appropriately raised, primarily the price applied to soybean producing centers. The sales prices of means of agricultural production should remain unchanged in general. The prices of products made by small chemical fertilizer plants should be lowered appropriately. If a production enterprise cannot tolerate the change despite all its efforts and has thus suffered a loss, the local financial department should give it an appropriate subsidy. Moreover, the price control department should step up the supervision and control over market prices.

7. Strengthen land management. Since our country has a large population but a comparatively small acreage of arable land, protection of arable land is our basic national policy. In recent years, too much land has been used for capital construction projects in both cities and the countryside, and this trend has been very strong. Most of the arable land used for these projects is fertile farmland. Some localities have the idea that more economic benefits can be obtained by developing village and town industry and tertiary industry, and so they have used and wasted land at will for developing these industries. Another very serious problem is that good farmland has been used for rural housing projects. In some provinces, the arable land diverted to other purposes in a year is equal in acreage to the farmland in a medium-sized country. With each passing day, our country has less and less arable land,

which is the most fundamental means of production. This trend, if allowed to develop, will give rise to grave consequences and entail untold troubles for our descendants. The leadership at all levels must pay great attention to this problem and take resolute measures to solve it. Land management organs should be established and perfected in all provinces. Administrative, legal, and economic measures should be used simultaneously to strengthen land management, and strict procedures should be put into practice for examining and approving the use of land for nonagricultural purposes. All localities should seriously investigate indiscriminate use of arable land for other purposes, and any case of illegal use of arable land for other purposes should be dealt with seriously. In the meantime, the state will enact and perfect as soon as possible laws and regulations for strengthening land management so that strict land management can be exercised.

8. Establish a township financial system. On the basis of the relevant regulations of the state, some localities have established a township-level financial system to centralize the management of revenue and expenditure at this level under the examination and supervision of the township people's congress. This has had a very good effect on raising revenue in proper ways and making reasonable arrangements for spending money; on using most of the revenue to support agricultural production; on stepping up the building of the grass-roots political power in rural areas; and on overcoming unhealthy tendencies and preventing embezzlement and waste. For these reasons, the establishment of a township-level financial system is welcomed by the masses. All localities should make positive efforts to set up their township-level financial system in a step-by-step manner.

On the Question of Strengthening Leadership

The key to success in consolidating and developing the fruitful results of rural reform and making the socialist planned rural economy even more prosperous is that party committees and governments at all levels must conscientiously strengthen their leadership over rural work.

The party Central Committee and the State Council attach great importance to rural work. The national rural work conference, held once a year to study and plan this work, is sufficient evidence of the significance of the rural issue in the work of the central authorities. Our leading comrades at the central level always keep in mind the 800 million peasants.

What we should note at present is that the problem of weakening the leadership over rural work does exist in some localities and departments. Of the 1 billion people of our country, 800 million are peasants. Issues concerning rural areas, agriculture, and peasants occupy a very important position in the political and economic life of the entire country. When the question of our 800 million peasants has been solved successfully, the work in all other fields can proceed more smoothly. It is a major duty of party committees and governments at all levels to strengthen their leadership over the work in rural areas. The leadership at all levels as well as all professions and trades should incessantly enhance their understanding of the importance of rural work and raise their awareness of carrying out the policy of taking agriculture as the foundation.

With the deepening of our rural reform and the all-round development of the rural economy, there is an increasingly close relationship between the issues concerning rural areas, agriculture, and peasants on the one hand, and the whole situation of our national economy on the other, and the contents of rural work are incessantly changing and expanding. To cope with these new circumstances, we should not only constantly study agriculture and its internal relations but should also continue to study the whole situation of the national economy--the relations between cities and countryside and between workers and peasants; market conditions; and supply and demand--in an effort to keep the trend of development well in hand. We should proceed from the overall interests and handle successfully not only the various relations within agriculture but also the relations among agriculture and others so as to put the whole situation under control.

Comrade Deng Xiaoping said: "What is leadership? Leadership means service." Serving the people is the bounden duty of communists and the vast number of cadres. Currently, the peasants are developing a socialist commodity economy. They need more and more services from us. Since commodity production has an elaborate division of labor, is complex in structure, and is interdependent, many undertakings are beyond the ability of a single household and require social services. Therefore, developing social services is an objective need called for by the rural commodity economy. Wherever this problem is handled well in meeting the actual needs, the commodity economy will have healthy development, and the peasants' income will also increase steadily. We must be keenly aware of the tendencies of a developing commodity economy; promote the establishment of various forms of social service agencies of various purposes and sizes as well as establishing service facilities; guide the peasants in gradually perfecting the cooperation system through services; and actively support those cooperative economic undertakings that bring prosperity to the peasants. In developing a cooperative economy, we must always respect the peasants' right to self-determination and uphold the principle of volunteer participation and mutual benefits; we must never commit the same mistake again, namely, that a cooperative economy means the concentration of great quantities of means of production and "eating from the same big pot." The organization of a cooperative economic undertaking can be either temporary, simple, and loose or long-range, comprehensive, and close-knit. The development of a cooperative economy is a step-by-step process. In developing a cooperative economy, we cannot expect quick results by means of hasty actions or movements but must provide correct guidance so that when conditions are ripe, success will come naturally.

We must encourage and protect those who have become well-off through industriousness and abiding by the law. But for those who try to become well-off by abusing their authority or position for personal gain or by becoming "shareholders through power," we must adopt proper policies to restrict them. Regarding those law offenders among them, we will deal with them strictly.

Another important issue in strengthening the leadership of rural work is that we must stress the importance of rural scientific and technological work. "Reliance on policy, science, and technology" is a correct principle of ours in developing agriculture. We must continue to give full play to the role of policy, particularly the overall role of policy. But more importantly, the role of science and technology will become increasingly more important. The revitalization of China will inevitably depend on the rise of a new generation of peasants. If there is no rapid progress in the method of production in the rural areas, it will be impossible for us to achieve national revitalization or realize the four modernizations. We ought to foresee this fact and take proper actions. If we should be late in realizing this fact and slow in dealing with the problem, we would greatly damage our cause. The fundamental way out for China's agriculture lies in technological innovation and intensive farming. In the future, we must apply the latest scientific and technological achievements to agriculture. In developing commodity production, we must introduce modern science and technology, raise the peasants' cultural and technical levels and quality, and increase both material and intellectual investments. Only in this way can we be expected to raise the output and quality of farm products, increase their variety, expand the processing industry, raise labor productivity, and improve social and economic results, thereby expanding the role of agriculture in the entire society. The State Commission of Science and Technology has proposed formulating a "Spark Program" [xing huo ji hua 2502 3499 6060 0349], which advocates the introduction of modern technology in village and town enterprises by means of demonstration projects. It is a very good idea. The various quarters should support it and do a good job in setting up pilot projects to gradually spread their experiences.

Currently, some 560 counties across the nation have been put under the jurisdiction of cities. Giving the cities jurisdiction over their adjacent counties is to bring the cities' role as economic centers into full play, thereby establishing a new structure to integrate urban and rural economic development. I hope the cities with counties under their jurisdiction will effectively strengthen their leadership over their subordinate counties and the counties under the jurisdiction of large and medium-sized cities will become vanguards in agricultural modernization.

Owing to different natural conditions and uneven economic development, there are still some rural areas in China where tens of millions of people have not yet freed themselves from poverty and are still without adequate food and clothing, although some economic progress has been made by them in recent years. Most of these areas are mountain regions, areas where national minority people live, or old revolutionary bases. The central authorities are extremely concerned about these areas. Last year they issued special documents, putting forward the guiding ideology, special policy, and preferential measures to help poverty-stricken areas bring about changes. To conscientiously solve the issues in these areas is of great significance politically and economically. The party committees and governments at all levels and the various departments concerned must attach great importance to these issues, list this matter as an important item in their daily agenda, and earnestly implement the relevant policies of the central authorities one by one. The funds and supplies of various localities in support of poverty-stricken areas in developing production, changing the terms in production, and vitalizing the economy in these areas should be used according to local conditions. Efforts must be made to organize cities and well-developed areas to support the poverty-stricken areas and help them develop production and eliminate poverty as soon as possible. How many poverty-stricken areas are there after all? What kind of difficulties are they experiencing? We must make a realistic appraisal. We must place our emphasis on aiding the poor in the truly poverty-stricken areas. Right now, we must, first of all, solve the problem of supplying the masses there with enough food and clothing.

To strengthen our leadership in doing rural work, we must improve our work style and work methods, perform more actual deeds, and make less empty talk. In doing rural work, we have many tasks to perform. Thus, we cannot concentrate on a single task only.

The situation in the various localities differs in thousands of ways. We cannot demand uniformity in everything. By doing things on a crash basis, racing against each other for higher speed, practicing formalism, and engaging in boasting and exaggeration while seeking undeserved reputation will only court disaster.

Strengthening rural basic-level party organizations and grass-roots political power and improving the cadres' qualities is the foundation for doing rural work well. The basic-level cadres are working on the frontline. We must rely on them to popularize and implement the party's policies, organize and promote all types of work, listen to and convey the voices of the broad masses of peasants to the higher levels, and solve many issues. Therefore, it is extremely important to strengthen the building of grass-roots organizations. Right now, grass-roots cadres still lack experience in leading peasants to develop a socialist commodity economy and develop the two types of civilizations. Therefore, we must pay attention to selecting and training grass-roots cadres. We must instill new knowledge into their minds, teach them how to use new work methods, and help them raise their awareness and acquire new skills so that they can shoulder the heavy responsibility of leading peasants to build a modern socialist countryside. The party Central Committee has already approved the plan made by the Central Commission for Guiding Party Rectification on doing rural party rectification work. The various localities must do a good job in carrying out party rectification in the countryside according to the central authorities' plan; look for, select, promote, and train grass-roots cadres in the course of carrying out party rectification; and help them improve themselves. We will definitely be able to successfully carry out our work in the countryside so long as the 20 million rural party members play their exemplary vanguard role well and the nearly 1 million rural party branches play their role well as a fighting bastion.

To lead the broad masses of peasants to develop commodity economy and become well-to-do together through hard work is the heavy responsibility entrusted by history to the Chinese communists. Economic work plays an extremely important role in rural work. Economic and political work are always closely connected. While strengthening economic work, we must strengthen ideological and political work, uphold the four fundamental principles, and develop simultaneously the two types of civilizations. Those engaged in rural work must regularly popularize the party's line, principles, and policies; publicize the situation at home and abroad and the superiority of the socialist system and of communist ideals; encourage peasants to work hard to achieve common prosperity; and lead peasants to unswervingly follow the socialist path.

With the development of the rural economy, we must strengthen our coordination in doing our work in all fields. Some of the provinces have set up rural economic commissions, while merging the original departments of agriculture and industry, offices for rural policy research, centers for the study of rural developments, and other departments into one to do jobs in studying policy, making long-range plans, handling day-to-day administration, and carrying out ideological and political work. It is reported that with this kind of system, work can be carried out quite smoothly without having to increase personnel. Some other provinces plan to follow suit. The central authorities have declined to make their own decisions in accordance with their own conditions.

Comrades, the central authorities have already worked out a series of correct policies that practice has verified as being correct. So long as we firmly strengthen our leadership over rural work, and rely on the strenuous efforts of the broad masses of peasants, we will definitely be able to score still greater achievements in facilitating rural reform, vitalize the socialist commodity economy, and create an even more healthy situation in rural areas throughout the country.

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MODEL IN UNITED FRONT WORK, FORERUNNER IN KMT-CPC COOPERATION--COMMEMORATING THE 10TH ANNIVERSARY OF THE DEATH OF COMRADE ZHOU ENLAI

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[Article by Qu Wu [1448 2976]]

[Text] It is already 10 years since Comrade Zhou Enlai died. The longer the time since his death, the brighter shines his revolutionary life and the more people respect him and cherish his memory.

Comrade Zhou Enlai was a great proletarian revolutionary. He made a tremendous contribution to the establishment and development of the three magic weapons for the Chinese revolution--party building, armed struggle, and the united front. Comrade Zhou Enlai was a lofty mountain, "a lofty mountain that people look up at and a broad road that people may follow." Many comrades have written commemorative articles to expound on his great contribution to the Chinese people. Here, I am only going to talk about my experience concerning his contribution in the sphere of the united front. The publisher's note to the book "Collection of Zhou Enlai's Articles on the United Front" says well: "In his great revolutionary life, Comrade Zhou Enlai made an outstanding contribution to the establishment, consolidation, and development of the united front led by the CPC and he deserves to be regarded as first among the models in doing united front work since the founding of our party. His deep insight and great revolutionary courage in firmly believing that the proletariat will certainly emancipate the whole human race, his democratic spirit in treating other people as his equals, his revolutionary style of being ready to take up the cudgels for a just cause, and his lofty virtue in being strict with himself will be worth our remembering and studying forever." My experience also vividly proves that these words are entirely correct.

The KMT and the CPC are two major political parties in China. The relations between these two parties have an extremely great bearing on our country's modern history. As far back as in the period of the first revolutionary civil war, Comrade Zhou Enlai applied the basic principles of Marxism-Leninism, analyzed the reality of Chinese society, and expounded pithily on the position and role of the united front in China's revolution. He was engaged in the practice of united front work for a long time, personally took part in the cooperation between the KMT and the CPC, and accumulated valuable experience. In the Huangbu Military Academy, which was jointly established and run by the KMT and the CPC, he was director of the political department and enjoyed extremely great prestige among the teachers and students throughout the academy. He made painstaking efforts to train military cadres for the Northern Expedition and to establish political work among the troops. In the middle of the victorious Northern Expedition, the "12 April" counterrevolutionary coup d'etat occurred, in which Chiang Kai-shek massacred communists and revolutionary masses. On 1 August 1927, in the light of the CPC Central Committee's decision, the Nanchang Front Committee, of which Comrade Zhou Enlai was the secretary, staged an armed uprising at Nanchang, and thus began the new period of armed revolutionary struggle led independently by the CPC. The issue of MINGUO RIBAO [REPUBLIC DAILY] of the day of the uprising carried the "Announcement of Central Committee Members" signed by KMT leftists and the CPC members who had joined the KMT. At the lead of those who signed the announcement was Soong Ching-ling, who was Dr Sun Yat-sen's wife and a prominent representative of KMT leftists. I was also one of the signatories.

During the Long March, on 1 August 1935, the CPC Central Committee published a "Letter to All Compatriots for Resistance Against Japan and National Salvation," calling on the people all over the country to unite as one, stop the civil war, and resist Japan together. On 12 December 1936, at the civil war front in Shaanxi, Generals Zhang Xueliang and Yang Hucheng detained, in Xian, Chiang Kai-shek, who had come to deploy the troops to "suppress the communists," and thus began the well-known "Xian Incident." In accordance with the decision of the CPC Central Committee, Comrade Zhou Enlai hurried to Xian and helped to resolve the "Xian Incident" peacefully. The CPC and the KMT once more cooperated with each other and united to resist Japan. This became the turning point from revolutionary civil war to the national war of resistance against Japan.

During the 10 years of the civil war, I was forced to go into exile in the Soviet Union and was not able to return to my country. It was not until the outbreak of the war of resistance against Japan that I returned to China via Europe and Hong Kong. In Chongqing, I met Comrade Zhou Enlai, whom I had longed to meet for a long time. Then I conducted revolutionary activities in the areas under KMT rule under the direct leadership of Comrade Zhou Enlai. In 1941, together with Comrades Wang Bingnan and Wang Kunlun, I initiated the establishment of the Democratic Revolutionary League (Small KMT Revolutionary Committee for short) to carry out united front work in the upper levels of the KMT. In November 1945, I accompanied General Zhang Zhizhong to Xinjiang and helped to release the over 100 CPC members who were imprisoned by Xinjiang warlord Sheng Shicai, and protected a number of CPC cadres. In April 1949, I went to Beijing to take part in the peace talks between the KMT and the CPC as an adviser to the peace talks delegation of the Nanjing government. As the Nanjing government refused to sign the "domestic peace agreement," I flew back to Xinjiang and helped General Tao Zhiyue and Chairman Burhan achieve the peaceful liberation of Xinjiang. All these things were done under the instructions of Comrade Zhou Enlai. I will forever remember that it was Comrade Zhou Enlai's teaching that enabled me to continue to forge ahead and commit fewer mistakes on the path of revolution.

Since the founding of the PRC, in addition to taking part in the work of the Revolutionary Committee of the Chinese Kuomintang, I have been appointed to the posts of director of the Counsellors Office of the State Council and then vice minister in charge of the Commission for Cultural Relations With Foreign Countries, and have continued to do united front work abroad and at home. What I personally saw and experienced proved that Comrade Zhou Enlai adhered to and carried on the CPC's fine tradition and work style in the sphere of united front work, that he expounded on the party's united front policies in the socialist period toward the national bourgeoisie, democratic parties, intellectuals, nationalities, religion, and Overseas Chinese, and that he united with all those that could be united with and thus strengthened the force of revolution and construction.

In regard to the new and old friends who had joined the united front, Comrade Zhou Enlai showed concern not only for their work and living arrangements, but also for their political progress. Many comrades and I have heard Comrade Zhou Enlai's speeches, with sincere words and earnest wishes, that encouraged friends outside the party to pass "five barriers" (ideological, political, social, relative, and livelihood barriers) after joining the revolutionary contingent and to study and transform ourselves throughout our lives. It was precisely Comrade Zhou Enlai's words and deeds that educated me and many friends and enabled us to undergo severe tests and continue to forge ahead bravely on the path of building a modern and prosperous country with a high degree of democracy and civilization!

Comrade Zhou Enlai said that whoever did good things for the people would never be forgotten. This is true not only for the friends who live on the mainland, but also for the friends who stayed in Taiwan or abroad for various reasons. We all know that Comrade Zhou Enlai personally worked to win over and help General Wei Liwang and Mr Li Zhongren to return to our country and enabled them to spend their later years in peace in our country. Here, I shall cite another incident that I personally experienced. In 1961, Mr Yu Youjen, "chairman of the Control Yuan" in Taiwan, who was a founding member of the KMT and who was forced to move to Taiwan, told Mr Zhang Shizhao in Beijing, through a friend, Mr Wu Chiyu, in Hong Kong, of a matter he was worrying about: "This year it is my wife's 80th birthday. It is a pity that I am not on the mainland. She will certainly have a very lonely birthday and no one will pay much attention to it. I am very sad about this." Mr Zhang Shizhao told the premier. Then the premier told me to go to Xian to celebrate the old lady's birthday in the name of her son-in-law. I did so in accordance with Comrade Zhou Enlai's instructions. Later, I sent to Mr Yu, through many intermediaries, the photographs taken on the birthday and a present for him. Attached to the present was a letter telling him that "Mr Lianxi" supported the birthday celebration activities from beginning to end. Mr Lianxi was the alias of Zhou Dunru, a well-known Confucianist in the Song Dynasty. I used his name to refer to Comrade Zhou Enlai. Mr Yu was very happy when he received my letter and the photographs and present. He sent back word through people to tell me to convey his sincere gratitude to "Mr Lianxi." Though it was during the period of the 3 years of natural disasters, and though Mr Yu was in Taiwan, Premier Zhou took care of such a minor thing despite the fact that he had to attend to numerous affairs of state every day. Though Mr Yu was not able to come back to the mainland during his lifetime, I think he would thus have had some comfort on his deathbed. As Mr Yu's relative, I was very much moved.

During the "Great Cultural Revolution," in order to attain their evil aim of usurping party leadership and state power, the Lin Biao and Jiang Qing counterrevolutionary cliques cruelly persecuted cadres inside and outside the party and thus gave rise to a large number of wrong, false, and misjudged cases. Under very difficult circumstances, Comrade Zhou Enlai made extremely great efforts to protect cadres, including many leaders of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang and patriots who were KMT members in the past. A list, in the premier's handwriting, of cadres that should be protected has been preserved. Among the names on the list are Soong Ching-ling, Cheng Qian, He Xiangning, Fu Zuoyi, Zhang Zhizhong, Shao Lizi, Jiang Guangnai, and Cai Tingjie. Later he wrote to relevant people and instructed that leaders of democratic parties should be protected and should not be criticized or denounced. Now, when the comrades concerned review those instructions that Comrade Zhou Enlai gave at that time, they are all moved to tears.

During the 10-year catastrophe, I was first kept in isolation to undergo examination and then arrested and imprisoned. The work I had done under Premier Zhou's guidance and leadership was all vilified and denounced as heinous crimes. "Xiang Zhuang performed the sword dance as a cover for his attempt on Liu Bang's life." This was wantonly aimed at toppling our beloved Comrade Zhou Enlai. After the "13 September" incident, when Lin Biao blew himself up, Chairman Mao and Premier Zhou sent people to inspect the place where I was imprisoned. I had an opportunity to write to Comrade Zhou Enlai to tell him my situation. When Comrade Zhou Enlai learned that, he called the special group for the examination of my case to account for the reason for my imprisonment. In addition to branding me with the usual label of "counterrevolutionary," the group made up the story that during the war of liberation, together with Zhang Zhizhong, I had induced over 100 CPC members in Xinjiang to surrender to the KMT, and released them back to Yanan to serve the KMT. When Premier Zhou asked them whether they had any evidence to support that, they said they did not have any. Premier Zhou said that since there was no evidence, they were not to send me to prison at will and had to release me at once. When the group briefed Jiang Qing on Premier Zhou's opinions, Jiang Qing said that Qu Wu was stubborn and had to remain in prison. As a result, it was not until the eve of National Day in 1974 that Comrade Zhou Enlai directly took care of my case by putting me on the list of the eight people that were to attend the state banquet, and obtained Chairman Mao's approval for the list. Then I regained my freedom. I attended the state banquet, presided over by Comrade Zhou Enlai, the day I was released. When I saw that Comrade Zhou Enlai looked thin and pallid under the heavy burden of state affairs and the suffering of sickness, I could not help but shed tears and be very sad.

Comrade Zhou Enlai personally experienced the two periods of cooperation between the KMT and the CPC. He had many friends in the KMT. When we read once more the article that Comrade Zhou Enlai wrote in memory of Mr Zhang

Huainan, we see how deep a friendship Comrade Zhou Enlai cherished for the negotiating partner who represented the KMT in holding talks with the CPC at that time. Comrade Zhou Enlai always showed great concern for the early realization of a third KMT-CPC cooperation and the realization of the unification of our motherland. From the founding of new China, because of my work, I often had the opportunity to meet Comrade Zhou Enlai. He more than once talked with me specially on the issue of a third cooperation between the KMT and the CPC. In 1975, when Comrade Zhou Enlai was sick in the hospital, he sent Comrade Luo Changqing to talk to me, to learn the situation in the work related to Taiwan and to consider the question of how we were to realize the third KMT-CPC cooperation and achieve the great goal of the reunification of the motherland at an early date.

Comrade Zhou Enlai's theoretical contribution and revolutionary practice related to the united front are a tremendous spiritual wealth that he has left us. They will certainly benefit the Chinese nation and people, and inspire us to forge ahead bravely to reinvigorate China and reunify the motherland.

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THE KEY TO BUILDING A MODERN AND POWERFUL NAVY LIES IN CAPABLE PERSONS

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 17-19, 20, 21

[Article by Liu Huaqing [0491 5478 3237]]

[Text] In the new historical period, the Central Military Commission has explicitly called on us to "build a powerful navy with modern fighting capacity" in order to resist foreign aggression, to defend the sovereignty of our territorial waters, and to serve the cause of safeguarding our maritime rights and interests, developing and using our marine resources, and carrying out the four modernizations program. The key to fulfilling this mission lies in meticulously training and selecting capable people.

The navy is a military arm composed of surface vessels, submarines, air units, coastal defense units, and a marine corps. It involves numerous branches of science and technology and is equipped with complicated weapons. Due to its strategic position and role, the latest achievements in science and technology are often applied in the navy first. A modern warship combines various advanced scientific and technological equipment and systems and epitomizes the country's state-of-the-art industry. The navy is characterized by its knowledge- and technology-intensive development. The question of integrating men and weapons is a very complicated one in the navy. Naval vessels or aircraft often conduct training or patrol far away from the coast and their logistics bases, facing constantly changing situations at sea and in the air and, more often than not, dealing with foreign countries. Since the officers and men have to perform their missions and operate modern weapons under such circumstances, it is necessary to set higher and stricter demands on the military capability and political consciousness of both officers and men, particularly when they carry out combined operations at sea. They should not only have a high level of revolutionary consciousness but also a wide range of scientific and cultural knowledge. Commanding personnal should also have fairly high attainments in both military thinking, strategy, and tactics, master the consummate art of leadership and operational skills, and have rich practical experience in sea operations. In the contemporary world, a worthy, modern, and powerful navy must have two most fundamental factors: One is to possess a sizable number of modern vessels and aircraft equipped with various types of guided missiles, nuclear weapons, and so on; the other is to have all kinds of capable people at all levels, particularly commanding personnel, who are proficient in modern naval battle theory, strategy, and tactics and who can skillfully direct and operate modern weapons. Only by rationally and harmoniously integrating the two factors is it possible to develop a powerful modern combat capability. The experiences gained in, and the lessons drawn from, the building of the Chinese people's navy in the past 30-odd years teach us: The building of a contingent of capable people has a direct bearing on the success or failure of the naval undertakings and on combat effectiveness. For this reason, we should place the question of training, using, and caring for capable people in a strategic position.

Since the 3d Plenary Session of the 11th CPC Central Committee, the navy has made tremendous efforts to train, promote, and use various kinds of capable people (including those trained in both military and civilian skills) and has attained notable successes. In the military, political, logistics, scientific, technological, teaching, and other fields, the navy already has many outstanding personnel at all levels, who can ensure the performance of routine educational training and the fulfillment of various complicated tasks, such as dispatching a naval task force to the South Pacific to conduct intercontinental ballistic missile tests, launching guided missiles from submarines under water, conducting explorations in Antarctica, and sending a naval fleet on a visit to three South Asian states. However, judging from the strategic missions undertaken by the navy, the existing personnel still fail to meet the demand in terms of quantity, and particularly in terms of quality. Therefore, we must vigorously promote the growth of capable people. To do a better job of training, selecting, and caring for such people, I deem it necessary to solve, with reform and an enterprising spirit, the following four problems in terms of thinking and work:

First, it is necessary to foster a modern and scientific idea of leadership.

The leading cadres at all levels, particularly the middle-ranking and senior commanders, should make clear that we are now in a new era of technological revolution. They should gain a clear understanding of the special features of modern warfare and its new requirements on army building, change the leadership thinking and methods characterized by seclusion and narrow experience, and learn to apply modern scientific concepts and methods in observing and handling problems. The extensive use in the military field of the latest scientific and technological achievements has effected a fundamental change in weaponry and has brought many new features to modern sea warfare. The traditional sea warfare characterized by two fleets pitted against each other and the launching of surprise attacks at targets on the opposite coast has developed into the launching of long-distance surprise attacks from the sea and of strategic surprise attacks deep into the interior. The scope of naval operations will be further extended into a multi-level three-dimensional space, naval battles tend to be conducted more speedily, suddenly, variably, and fiercely, and the role of men's wisdom, knowledge, and skills will be greatly enhanced. It can be said that the modernization of the navy and future modern warfare sternly and almost compulsorily demand that we should meticulously train and care for capable people.

Compared with the navies of some developed countries, the weaponry of the Chinese people's navy cannot be regarded as advanced. The navy already has small quantities of every system and every type of weapon and has taken the first step toward commissioning more missiles and electronic equipment, using more nuclear energy, and enhancing the standard of automation. With the development of the state's four modernizations program, the weaponry of the navy will be constantly improved and upgraded. Our leadership thinking should be adapted to this situation and keep pace with its development. However, some comrades have not broadened their horizons and thinking. They are still restricted by outdated narrow concepts. Fixing their work at a low level, they are often satisfied with their knowledge and skills and with just doing a passable job. They are accustomed to looking at their progress vertically and not at the horizontal gaps in their knowledge. They do not see clearly the development orientation of the navy. Nor do they realize that since it is hard to keep up their educational level now, it will be even more difficult for them to fill their posts creditably in the future. For this reason, they lack both the desire to seek knowledge and the enthusiasm to train, employ, and care for capable people. Affected by "leftist" ideology or handicapped by personal interest, some comrades look down upon knowledge and capable personnel. They envy able and worthy people and even try to suppress or squeeze them out. These concepts and methods of thinking, which obviously run counter to the objective of building a modern and powerful navy, must be changed quickly.

Second, it is necessary to define clearly the standard for capable people in navy building.

By capable people we mean people with both ability and political integrity. Ability and political integrity complement and act on each other. People lacking either of these are not what we call capable people of the "four transformations" of cadres laid down by our party, making the ranks of cadres more revolutionary is of basic importance. It reflects the essence of our army. The modernization of weaponry has undoubtedly made it even more necessary to make people more educated and more professionally competent because it is impossible to modernize the navy without knowledge and professional skills. However, with a higher degree of modernization, the demand for people's sense of political responsibility, courage, sense of discipline, tenacity, and coordination is also higher. It will only endanger army building if we put more stress on reducing the average age of cadres and raising the level of their education and professional competence than on making our cadres more revolutionary, that is, if we pay no attention to political conditions in using people.

The navy should have all kinds of capable people at each level. These can be military academy or university graduates. Volunteers and soldiers may also become capable people. In navy building we need all kinds of specialists. We need people who are expert in one thing and good at many, particularly people who have a strong sense of party spirit, are quick thinking, who are both resourceful and decisive, and who dare to blaze new trails. We need all-round people at the intermediate and senior levels who not only have organizational ability and give competent leadership but also exercise control over people and goods. In line with the party's basic requirements for capable people and taking into consideration the special features of the navy and the needs of the future antiaggressive wars at sea, people needed in navy building should generally have the following five requirements: 1) They should have lofty revolutionary ideals and the spirit of dedication to maritime undertakings, love the islands, oceans, and their vessels, and have a strong sense of revolutionary cause and of responsibility, honor, and pride. 2) They should have the qualities characteristic of brave, selfless, and tenacious naval officers and men, as well as scientific and realistic approach. They should brave the hardships and dangers of sea training, life, and combat tasks and be bold in making experiments and forging ahead. 3) They should have a fairly wide range of modern scientific, technological, and cultural knowledge and rich practical experience at sea and be expert in one or two special fields and good at many. 4) They should have a conscientious sense of organization and discipline. Not only should they obey orders in all their actions and act in strict accordance with the decrees, rules, regulations, and systems but also have the ability to cope with emergency situations flexibly and independently and act according to the instructions and intentions of the higher authorities and the supreme command under all circumstances. 5) They should have strong physiques enabling them to adapt themselves to sea training, life, and fighting.

Due to the different status and responsibilities of various naval personnel, our demand for their military capability and political consciousness should naturally be different. There should be a higher and stricter demand on the political consciousness, intellectual structure, and tactical, technological, and managerial skills of captains, particularly commanders at the group [da dui 1129 7130] and the detachment [zhi dui 2388 7130] levels and above. When promoting people to leading bodies at various levels, we should concentrate on selecting and promoting people who have a strong sense of party spirit and the fine spirit of serving the people. Attention should be paid to age and intellectual structures, creativity, ability to organize and to give competent leadership, and efficiency as a whole. Leading bodies should also watch out for those who, in spite of their ability, have a poor sense of party spirit and serious individualistic ideals and who fail to match their fine words with practical deeds. These people should not be put in important positions.

Third, it is necessary to combine training with the promotion and use of personnel.

In solving the question of capable people, we must meticulously grasp training work. The navy is composed to various arms of the services. In training personnel, we should have a high starting point, set strict demands, and lay a solid foundation in political consciousness, science and culture, professional knowledge, work style and discipline, and physical health. With the exception of one or two specialities, cadres at the grass-roots units should be trained in such a way that they generally attain a college educational level. The development of weaponry and the transformation of the establishment structure will constantly change the methods of training, operations, and activities. Exclusive attention to training specialists in a particular field obviously fails to suit the new demand. We should, therefore, attach importance to training all-round personnel who are good at many things and correctly handle the relationships between expert and wide knowledge so that we can gradually conduct general training among different vessel categories, among similar specialities, and even among different arms of the services. In this way we can broaden the cadres' range of knowledge and enhance their ability to adapt themselves to the changing situation. We should pay attention to integrating military academies and universities with troops and combining theory with practice. We should institute a system under which the cadres of military units, institutions, and academies exchange among themselves so that they can receive training in many ways and improve themselves in an all-round way. In short, in training capable people there should be more avenues, numerous forms, and flexible methods.

We train capable people in order to use them. Leaders at all levels should care for and use them well. Only by rationally using all kinds of capable people is it possible to give play to their talents and roles. Cherishing and caring for capable people is in fact tantamount to cherishing and caring for the cause of navy building. Caring for capable people should be reflected by boldly promoting them, letting them have a free hand, supporting them in their work, and being concerned for their well-being. However, what is important is to use them rationally. Due to various factors, for a long time there has been a certain dislocation between the training of personnel and their use. As a result, many people do not practice what they have learned; there has been a drain on capable people despite our efforts to train them; and it takes a long time to train people who are used for only a short time. This is not advantageous to training high-quality personnel and to navy building.

In order to solve the above-mentioned problems, we should do the following things: 1) We should draw up a plan for capable people in a scientific way. Without a farsighted and scientific plan it would be difficult to check the waste of such people. Only by integrating scientific planning, meticulous training, and rational employment of capable persons can we rationally assign personnel, train them well, and transfer them in an orderly manner, thus bringing into full play the benefits of training capable people. 2) Leaders at all levels and comrades at the departments in charge of cadres should establish scientific methods of thinking, persist in following the mass line, and gain a better understanding of cadres in order to have a good grasp of the situation regarding capable people. Only in this way can they select and appoint able and worthy candidates and eliminate mediocre ones. Being bureaucratic, some leading comrades do not have a correct understanding of cadres and, being easily swayed by gossip or rumors, often decide other people's fates accordingly. This defect must be rectified. 3) We should reform the management methods for capable personnel and practice scientific management. Attention should be paid to solving the question of separating the right to use from the right to transfer cadres. When appointing or dismissing cadres, the departments concerned should keep each other informed, jointly assess the cadres, and reach a decision through consultation. The immediate leaders using the cadres should be given more say. In using capable people efforts should be made to reduce as far as possible man-made "internal consumption" [nei hao 0355 5088]. We should no longer allow erroneous ideas, such as remnant factionalism, envy of able and worthy people, and narrow prejudice, to go on endangering the building of the ranks of capable people. In observing and using personnel, the comrades in leading posts should overcome their own limitations. They should genuinely proceed from the cause of navy building by cherishing capable people and not envying them. Wasting capable people is a dereliction of duty, squeezing them out is a bad habit, and attacking them is a crime. We must assess cadres dialectically, comprehensively, and in historical perspective. On no account should we pay lip service to dialectical materialism but practice metaphysics when using capable people.

Fourth, we should renounce empty talk in favor of practical work and gradually institutionalize the management and use of capable people.

In meticulously training, selecting, and caring for capable people, it is important to have a perfect system as a guarantee. Institutionalizing the management and use of capable people helps to exploit their talents to the full and to solve the contradiction between personnel shortage and waste. We should persist in practicing various systems, such as promoting cadres after they receive training and pass the examinations, and establishing a rational age structure, and get ready to institute a system of fixed term of office. In light of the specific conditions in the navy, there should be some stipulations for highly capable people in crucial posts, for people of great attainments in military thinking and naval battle tactics, and for people experienced in organizing naval training and combat patrols so that they can work in the navy for a relatively long time. We have made some efforts in these fields. For example, we have made provisional stipulations on strengthening the ranks of naval cadres and kept on quite a few competent commanding officers of naval vessels, as well as personnel in charge of professional work [ye wu zhang 2814 0523 7022]. This has played a fairly good role in navy building.

To provide navy building with centripetal and cohesive forces, we should not only rely on the sense of honor and patriotic spirit of naval officers and men but also show concern for their ideological progress, work, and immediate interests. Over the past few years, we have taken some measures and paid attention to implementing the policy toward intellectuals. We have solved some practical problems for the coastal and frontier defense forces. However, this is not quite enough and there is still a lot to be done.

In order to build a powerful, revolutionary, modern, and regular navy, we must make further efforts to create good conditions and environment for the growth of capable people. Only when capable people emerge in large numbers can military power be strengthened. Under the guidance of the party's correct line, so long as a large number of capable people, who are reaching maturity, work wholeheartedly for the navy, we will surely be able to surmount all difficulties in navy building and forge ahead.

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STRENGTHEN THE BUILDING OF GRASS-ROOTS PARTY ORGANIZATIONS IN RURAL AREAS TO MEET THE NEEDS OF REFORM

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[Article by Cao Zhi [2580 1807]]

[Text] To meet the needs of rural reform, we must strengthen the building of grass-roots party organizations in the countryside. This is an urgent task confronting organizations at various levels in the countryside. Only by building up the large number of rural party organizations as strong and efficient setups and enabling the masses of party members in the countryside to really play an exemplary vanguard role in building new socialist villages can rural party organizations lead the masses in upholding public ownership as the mainstay, achieve common prosperity, bring about a further turn for the better in the party style and social practices, and stimulate and ensure the deepening of the rural reform and the further enlivening of the rural economy.

Have a Correct Understanding of the Conditions of Rural Grass-Roots Party Organizations

Comrade Hu Yaobang pointed out: "Only by correctly observing the situation can we correctly set the direction of struggle and general and specific policies. In other words, to correctly formulate the party's line and general and specific policies, we must, to a large degree, base ourselves on a correct analysis of the situation." In the few years since the 3d Plenary Session of the 11th CPC Central Committee, our countryside has undergone earthshaking changes. The introduction in an overall manner of the responsibility system of linking remuneration with output has aroused the tremendous socialist enthusiasm of 800 million peasants. Given the rational readjustment of the rural industrial structure and the continuous development of the commodity economy, the whole rural economy has begun to change in the direction of specialization, commercialization, and modernization. Now the per capita grain output of the country stands at 800 jin, reaching the average world level. A big increase in grain output has been accompanied by the thriving growth of a diversified economy and various industries and the vigorous growth of town and township enterprises. Peasants' per capita net income rose from 134 yuan in 1978 to 350 yuan in 1984. There was a further increase of 45 yuan in 1985. Our cultivated area accounts for only

7 percent of the world total, but the problem of providing food and clothing for a population accounting for 22 percent of the world's total has been basically solved. This is indeed something to be proud of. Given the development of the rural economy and an increase in peasants' income, marked achievements have been scored in building material civilization and spiritual civilization. A very favorable and lively situation prevails in the countryside.

Our countryside has undergone tremendous and very profound changes in a matter of a few years. This is first attributable to the brilliance and correctness of a series of general and specific policies formulated by the CPC Central Committee and a series of reforms introduced in the countryside that are in line with the desire of millions upon millions of peasants. Meanwhile, it is also inseparable from the role played by rural grass-roots party organizations and party members. According to a survey of 3,814 rural party branches in the three provinces of Liaoning, Jilin, and Heilongjiang, 1,285 played the role of a fighting force relatively well, accounting for 33.8 percent; 1,850 showed average performance, representing 48.5 percent; 576 made a relatively poor showing, accounting for 15.1 percent; and 103 were in a state of paralysis, representing 2.6 percent. Jiangsu made an analysis of the performance of the party members throughout its rural area. Those who played an exemplary vanguard role relatively well accounted for around 40 percent; those who showed average performance, about 50 percent; and those who performed poorly, 10 percent or so. In the rush to deal with an emergency in fighting floods in Liaoning, 95 percent of those party members put to a severe test of a choice between public and private interests and between life and death performed well. Of the advanced individuals cited for performance in fighting floods and dealing with emergencies in the province, 89 percent were party members. The masses praised them, saying: Communist Party members showed their true colors at crucial moments. According to a comprehensive analysis by the Central Organization Department of data provided by 19 provinces, autonomous regions, and municipalities directly under the central government, the ratio of good, intermediate, and poor performance ratings among existing rural grass-roots party organizations is general 3:5:2. This is to say that those who can implement the party's general and specific policies relatively well, actively carry out reforms and lead the masses in getting rich through hard work and who have relatively marked achievements to their credit and give a relatively outstanding performance in playing the role of a fighting force account for around 30 percent. About 50 percent are capable of thoroughly implementing the party's general and specific policies and are also credited with definite progress in commodity production but are not long on pioneering spirit and not outstanding enough in playing the role of a fighting force. Those marked with slow development of production and weakness and laxity in matters of organization and who are incapable of playing the role of a fighting force represent about 20 percent. Of them, those plagued by serious problems and plunged into a state of paralysis accounted for 5 percent or so. Of course, this ratio does not necessarily apply to every area and every unit, concretely speaking. But from this fundamental estimate, we can tell for sure that at present most of the party organizations and party members in the countryside are good and relatively good. Actual conditions do not bear out what some comrades say about most of the organizations being in a state of paralysis and party members and cadres not doing their jobs, with everyone being preoccupied with efforts to get rich.

In affirming the main trend, we must also have a clear idea of existing problems. The main problems now existing among party organizations and party members in the countryside are: Some party organizations show weakness and slackness and lax discipline. Some party members and party member cadres lack a sense of responsibility in building socialism and lack high communist ideals. They fail to play the exemplary vanguard role that they should among the masses. Some party members and party member cadres are seriously affected by individualism. They forget all about the aim of wholeheartedly serving the people. They sacrifice public to private interests and abuse power to serve private ends. They run seriously afoul of law and discipline. Certain individuals even degenerate and take the road to crime. Given the long-standing influence of the idea of love for the "left" and other erroneous ideas, a number of party members and party member cadres have so far lacked a correct understanding of rural reforms and of certain general and specific policies introduced by the party in the countryside. The existence of these problems is also closely related to the fact that some of our comrades lack a correct understanding, pay inadequate attention and fail to keep a tight grip when it comes to realistically strengthening the building of rural grass-roots party organizations under a new situation. In a decision on economic reform, the central authorities pointed out that in the new period, in our party ideological and organizational work, we must firmly carry out the guideline that calls for closely linking economic construction with the realities of economic reform to serve the realization of the party's general tasks and main goals. Certainly the work of rural grass-roots party organizations must also be guided by this guideline and made to firmly serve the reform of the rural economic system, serve the effort toward common prosperity for the masses of peasants, and serve the building of two civilizations. So long as we firmly uphold the party's general and specific policies and the spirit of the National CPC Congress and combine rural party rectification with a down-to-earth effort to strengthen the building of rural grass-roots party organizations, then the above problems can be solved, and a new situation definitely brought about.

Energetically Conduct Education Among Party Members and Give Full Play to the Exemplary Vanguard Role of Party Members

In strengthening the building of rural grass-roots party organizations, we must properly conduct education among party members, put the caliber of party members first, place the emphasis on improving party members' political and ideological consciousness, and strengthen their concept of party spirit.

First, we must give party members education about the party's goals. We must make them understand that our party has no special privileges and interests of its own, apart from serving the interests of the working class and the broadest mass of people. At all times and under all circumstances, every party member must wholeheartedly serve the people, consciously subordinate individual interests to those of the state and the people, and be the first to suffer and the last to seek enjoyment. In times of war, Communist Party members were the first to rush to the front and the last to retreat. In the time of agrarian reform, party members took the lead in the struggle against landlords. They gave preferential treatment to class brothers in the distribution of land. Later, in carrying out various party policies, party members also led the way and refrained from joining the masses in a scramble for the best of everything. From such exemplary acts, the masses of peasants realized that the Communist Party was promoting their welfare. So they set themselves to follow the party. At present, the party members in the countryside are wholeheartedly serving the people. This should be concretely manifested in their actively uniting and leading the masses of peasants in getting rich through hard work and seriously observing law and discipline. Joint efforts should be made in building the two civilizations in the countryside. The one aim is to fight wholeheartedly for the prosperity of both the country and the people.

Second, we must give party members education on communist ideals and existing party policies. In action, high communist ideals must be combined with the realistic goals of struggle. Party members must be made to understand that the rural economic reform and a series of general and specific party policies toward the countryside are all policies for making the country powerful and the people rich and are a concrete manifestation of the four fundamental principles. That the countryside has in the past few years achieved so much is to be attributed to the firm introduction of reforms. To consolidate and develop these results and achieve a still greater victory, we must continue upholding reform. Party members must take the lead in reform from beginning to end. They can only go ahead and not turn back. The new problems appearing in reform can only be gradually solved through reform in line with the party's general and specific policies. This is also to increasingly perfect the reform. We must educate and guide party members, so that they can understand the party's policy about making a number of people rich first. Of course party members can be among those people allowed to get rich first. But a Communist Party member is unlike the ordinary masses. While seeking to make himself rich, he must correctly handle the relations between a leading role played in working hard to get rich and an effort to help the masses around to get rich and lead them in bringing about common prosperity. For a Communist Party member to get rich is dependent upon a requirement, a condition, and a sense of responsibility. The requirement calls for taking the seeking of common prosperity as an aim. The condition calls for working hard to get rich and getting rich by legal means and not by such illegal means as taking unfair advantage of others' labor, and so forth. A sense of responsibility means that a Communist Party member must first set an example in working hard to get rich and in getting rich by legal means. Second, he must support and help others, especially poor people and those in difficulty, in getting rich--instead of evading responsibility. At present, in certain areas, the masses doubt, to different degrees, the party's policy of making the people rich. Party members should take the lead in working hard to get rich--thus setting an example to the masses and dispelling their doubts. But as far as most of the areas are concerned, the masses have basically got rid of their doubts. The main problem is not the lack of courage to get rich through hard work but the lack of ways to get rich. Under these circumstances, there is an even greater need for party organizations to pay attention to educating party members, so that they can help the poor and the weak and guide and support households in difficulty in taking the road to common prosperity. Of course, this is by no means a case of cutting the tops off to keep everything even. Party members' help to poor and distressed families should mainly take the form of ideological guidance. Also, through passing on technical know-how and experience and providing information and necessary financial aid, party members should help the latter find a way to wealth.

Third, we must educate party members on the need to observe law and discipline. We should make party members understand that they must not only themselves strictly obey party discipline, government rules, and state laws but also set an example in upholding the dignity of law--thus encouraging the masses to join in obeying the law. In developing the commodity economy, Communist Party members must abide by economic contracts and strictly carry out all relevant stipulations. They must take the initiative to pay taxes according to the law and retain a proper percentage for the collective. They must also observe social customs and common practices in an exemplary way, stimulating the building of spiritual civilization. They must uphold principle and dare to fight those acts running counter to law and discipline.

Fourth, we must give party members scientific and cultural education so that they have not only the desire to lead the masses in getting rich through hard work but also the capacity to lead the masses in so doing.

In addition, what must be stressed is the need to strengthen the buildup of an ideological style among rural basic-level cadres. Since the 3d Plenary Session of the 11th CPC Central Committee and especially since the introduction of the agricultural production responsibility system, the ideological style of rural basic-level party cadres has undergone a great change. Many cadres have become pacesetters in building the two civilizations in the countryside and have won the masses' respect and support. But a fair number of problems do exist among certain cadres in regard to the ideological style. For example, their practices run the gamut from failure to report conditions factually to falsification of reports, exaggeration of figures, coercion and commandism, bullying and oppressing the masses, eating and drinking to excess, bribery, involvement in clannish disputes, practice of factionalism, promotion of superstitious activities and gambling. In strengthening the building of the ideological style of rural basic-level cadres, we must pay attention to the following: 1) The upper-level party organizations and leading cadres must first correct their own ideological style, setting an example to basic-level party member cadres. Many areas have reported that basic-level cadres' involvement with coercion and commandism and falsification of reports and exaggeration of figures has partly been "forced" by subjectivism and exacting quotas attributed to the higher authorities and partly been "encouraged" by an irrational bonus system. 2) We must seriously do a good job of training basic-level party member cadres. Some provincial party committees have resolved to train rural basic-level cadres in a planned and systematic manner. This practice is worth promoting. Through training, we must help rural basic-level cadres to foster the idea of wholeheartedly serving the people and the style of seeking truth from facts, playing fair and square and keeping in touch with the masses. 3) We must further improve the whole party's organizational life, unfold constant criticism and self-criticism and strengthen the inspection and supervision of party member cadres. 4) Concerning people and things involving bad styles and outrages, we must assume a solemn attitude, strictly uphold party discipline, and take care of each case as it appears without showing the least compromise or leniency. Any empty talk or failure to make thorough investigations in our approach to problems of this kind is an indication of neglect of duty by the party organization.

Reorganize and Properly Build Up the Leading Groups of Basic-Level Party Organizations

Properly building up leading groups is a key to the strengthening of the building of rural party organizations. In the past few years, in the reform of the rural economic system and the reform of the system of leadership in towns and townships, various areas have subjected rural basic-level party leading groups to readjustment and reorganization in some ways. For example, Hebei Province has readjusted more than 80 percent of rural basic-level party leading groups. But generally speaking, conditions incompatible with the needs of rural development still exist, to different degrees, among rural basic-level party leading groups. According to an investigation, nearly 40 percent of the party branches of many counties have no party branch committee members under the age of 30. More than 50 percent of party branch committee members have a cultural standard below primary school level. Among them, there are still quite a large number of illiterate and semi-illiterate people. If such a situation is not changed as quickly as possible, rural basic-level party organizations can hardly assume the task of guiding the development of commodity production and guiding the masses in overcoming poverty to get rich, and a series of reform measures introduced by the party in the countryside can hardly be carried out. Therefore, we must strive to subject rural basic-level party leading groups to a serious readjustment in 1 or 2 years in line with the guideline of "transforming cadres in four respects" and with reality in mind. We must especially properly readjust leading groups of town and township party committees. Through readjustment and construction efforts, we must enable leading groups to become strong leadership cores credited with a correct ideological and political line, a proper style, unity, vim and vigor, and a capacity to lead the masses in getting rich through hard work and to carry out the building of the two civilizations.

To do a good job of readjusting and building rural basic-level party leading groups, we must handle several tasks well:

First, we must uphold the principle of combining ability with political integrity in selecting cadres. In selecting and promoting members of basic-level leading groups, many areas generally pay attention to the following several points: 1) An ability to uphold the four fundamental principles and resolutely carry out the party's general and specific policies, a capacity to serve the people wholeheartedly and the spirit of daring to carry out reforms. 2) A given cultural level, a capacity for organization and management, and an ability to lead the masses in getting rich through hard work. 3) A proper work style and a reputation for being fair and impartial in handling things with support from the masses. 4) Being relatively young and in good health. In staffing leading groups, we must pay attention not only to the personal abilities and caliber of individuals but also the rational mix of members of leading groups, enabling them to draw on good points to make up for what is lacking, unite in cooperation, and play a still better role in arousing the masses.

Second, we must proceed from reality and refrain from applying "the same fixed standard in every case." Various rural areas show an imbalance in economic development. Also, conditions of existing leading groups are not the same. On the basis of investigation and study, we must distinguish between different categories and follow different guidelines for readjustment. We must also proceed from reality in our approach to age groups and cultural standards. Those who are too old and too far below a given cultural standard and unfit for the work of cadres should generally be subject to readjustment. We must make a point of selecting comrades, relatively young comrades, educated up to a given cultural level, for staffing leading groups. But in a leading group, some comrades, though a bit too old or not educated up to a very high cultural standard, are capable of leading the masses in getting rich through hard work and command relatively high prestige among the masses. As such, they should be allowed to stay on the job.

Third, we must properly handle work relating to old comrades who have left leading groups. In the past, given "left" influence, rural cadres were always cases of "stepping into office amid applause and out of office as targets of criticism and struggle." Now, as old comrades leave a leading group, some people still erroneously think that this has to do with their having made mistakes of some kind. The people involved also feel "a loss of face." We must subject these old comrades to penetrating and elaborate ideological work, help them widen their horizons and be open-minded and make them realize that their withdrawal is dictated by the situation and the development of things and is a matter of honor--making way for the competent. Apart from doing this, we must at the same time make proper arrangements for their lives and give them proper care. We must make fair assessments of their past work performance. We should also bestow proper political honors on them. Depending on different circumstances, we must give them some work within their capacity, so that they can continue playing their part.

Fourth, in readjusting basic-level party leading groups, we should hold reelections according to the democratic procedures stipulated in the party Constitution. After readjustment, we must pay close attention to educating and raising the standard of members of new groups and help them learn how to do things in line with the principle of democratic centralism and how to follow the mass line and do ideological and political work in the new period. We must actively and boldly admit to the party a number of fine young peasants qualified for party membership and provided with a given cultural level. This is to strengthen the party organizations' active role in building socialist new villages and provide the rural basic-level party organizations with enough successors. To admit educated fine young peasants to the party is necessary for reform and for achieving the main tasks in the new period. At present, some party members cannot read and understand newspapers, documents from the higher levels, and booklets providing knowledge about agriculture. Though seized with a desire to lead the masses in getting rich, they have not the skills required to lead the masses in getting rich. Some have instead become targets of "support for the poor." This shows that given lack of education and illiteracy, there are limits to the development of party members' role. Now party members with a low cultural level must strive to become cultured. In recruiting new party members, we must pay attention to cultural background. But in practice, some areas have set some impractical requirements, such as calling for a cultural level above a junior high school standard, in recruiting party members among peasants. This is putting things in absolute terms. Some people have not been to a junior high school. But they can read and understand newspapers and documents from the higher levels and also perform well in other respects. They should be admitted to the party. In recruiting party members among workers, we must also pay attention to this.

Improve and Readjust the Layout of Basic-Level Party Organizations

For many years, rural basic-level party organizations were arranged so that the commune had a party committee, a production brigade had a party branch, and a production team had a party group. Since the 3d Plenary Session of the 11th CPC Central Committee and especially in the past 2 or 3 years, given the deepening of the rural economic reform and the development of commodity production, there have emerged a large number of rural enterprises, specialized households of various kinds and economic complexes. There has also been a great increase in the number of party members working and trading in other areas. Given new circumstances, the stipulation calling for the establishment of a party branch entirely on the basis of the administrative village (the production brigade) as a unit and a party group entirely on the basis of the peasant group (the production team) as a unit can no longer meet the needs of certain areas. This is especially the case with areas where the commodity economy is relatively well developed. Therefore, to properly readjust and improve the layout of rural basic-level party organizations has become a problem that calls for immediate attention in strengthening the buildup of rural party organizations.

In order to enable the layout of rural basic-level party organizations to meet the needs of the new situation and new tasks, many party organizations of provinces, autonomous regions, and municipalities directly under the central government have made investigations, studies, and explorations and conducted some experiments. An initial review shows that good results have been achieved. We believe that the layout of rural basic-level party organizations should be rationally readjusted in line with the principle of helping in stimulating the transformation of the agricultural economy in the direction of specialization, commercialization and modernization, helping in strengthening the ties between the party and the masses and helping in carrying out the activities of party organizations and strengthening control over education for party members. For example, among town (township) enterprises, economic complexes that cut across village and town boundaries, and individual industrial and commercial operators in towns and townships, we may establish party organizations, which are led by local party committees or placed under such bodies as determined by local party committees. Among administrative villages' economic organizations, we may establish party groups or party branches, which are led by village party branches or general party branches. Among party members who go to other areas to work in groups, we may, depending on different circumstances, establish party organizations (or temporary party organizations), which are led by existing town party committees or village party branches, or by local party organizations. For scattered party members working in other areas, we must also strengthen control of education.

In changing the layout of rural basic-level party organizations, we must combine an energetic spirit of reform with action in a well-led, planned, and systematic manner. We must strengthen concrete guidance and acquire experience through experiments before gradually introducing them. We must avoid "all rushing into action at once." We must uphold the principle of proceeding from reality and make readjustments on the basis of economic developments in various areas and concrete conditions about the mobility and distribution of party members. In areas where the commodity economy is not well developed and the existing organizational layout still meets the needs, we must not arbitrarily make readjustments. There should be no confusion between the party organizations of administrative villages and rural residents committees, where the organizational system is concerned. This is to facilitate unifying leadership over a given village's economic and cultural construction efforts and social welfare undertakings. In making readjustments, we must make a point of not increasing the number of people receiving allowances. This is to avoid adding to the burden on the peasants.

Strengthen Leadership and Create a New Situation in Building Rural Basic-Level Organizations

Basic-level party organizations form the basis of the party organization and the bridge that links the party with the masses. The party's general and specific policies and various tasks must be carried out by relying on giving full play to the role of basic-level organizations as a fighting force. Our country has a population of 1 billion--800 million in the countryside. The whole party has a membership of 42 million--22 million in the countryside. Of the whole party's 2.57 million basic-level organizations, 1.13 million are in the countryside. Only by properly building up rural basic-level party organizations can we really strengthen party leadership over rural work and enable the party's line and general and specific policies to be introduced in every village. And only in this way can we give full play to the role of the whole body of rural party members and unite the 800 million peasants in the countryside in a joint effort to do a good job of socialist modernization. Only with the proper buildup of rural basic-level party organizations, the deepening of the rural reform and the further growth of the rural economy can the whole economic reform be assured of smooth progress with the city as its focus. Therefore, the strengthening of the building of rural basic-level party organizations under a new situation bears on whether the new situation that has appeared in the countryside can last and whether the 800 million peasants can achieve common prosperity. It also concerns whether the whole reform can be triumphantly realized and whether our country can develop and grow.

In the past few years, many party committees at the provincial, regional, city, and county levels have strengthened leadership over the building of basic-level party organizations. They have done a lot of investigation and study and introduced typical experiences. The party committees of many provinces, autonomous regions and municipalities directly under the central government have called meetings to study the building of basic-level party organizations. Some provincial party committees have also worked out special decisions on strengthening rural work at grass-roots levels. Attention shown by party committees of provinces, autonomous regions, and municipalities directly under the central government provides an important condition for the proper building of rural basic-level organizations. But it must be realized that the county CPC committee assumes especially heavy responsibility for the proper building of rural basic-level party organizations. Now some county CPC committees have failed to put such work in its proper place. Some comrades hold that "if we pay attention to the building of a party branch, we may as well first take good care of a specialized operator." They fail to correctly understand the relations between economic construction and party building. They set the two in opposition or separate them, reducing some grass-roots organizations to a state of paralysis or neglect. This situation must be corrected as quickly as possible. The leading comrades of county party committees must correctly understand and handle the relations between economic construction and party building. The proper handling of economic construction is an important starting point in carrying out party building. The strengthening of party building provides a reliable guarantee for the proper handling of economic construction. Therefore, while paying close attention to economic construction, county party committees must realistically put on their own agenda the work of building rural basic-level party organizations. While inspecting work at lower levels, leading comrades of county party committees must "not only keep watch over specialized households but show particular concern over party branches." If a basic-level party organization is found to be in a state of paralysis, people must quickly be sent over to help and make readjustments. It just cannot be left alone.

The CPC Central Committee has called for strict control of the party. The whole party at all levels, especially the leadership at all levels, must pay attention to party building and to the building of rural basic-level party organizations. They must take the initiative, put in hard work and strive to overcome difficulties. Only in this way can we definitely make still greater contributions to rural reform, economic development, and social progress.

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STRENGTHEN CONSTRUCTION OF WATER CONSERVANCY AND IRRIGATION WORKS, IMPROVE AGRICULTURAL PRODUCTION CONDITIONS

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 26-27

[Article by Jing Ping [2529 1627]]

[Text] Over the past 30 years and more, in general, our country has achieved great results in building irrigation works and water conservancy facilities, which plays a big role in resisting and preventing natural disasters caused by floods and drought and in improving farming conditions and ensuring the steady development of agriculture. However, in some localities, leadership over the construction of irrigation and drainage works has been slackened in recent years, with no people assuming the responsibility for managing these works and facilities. Many existing irrigation and drainage works have long been out of repair and the equipment there is worn out. Some facilities have been artificially damaged. In the period between 1981 and 1984, the area of irrigated farmland in the country decreased by 7.31 million mu, and some 100,000 motor-pump wells were abandoned as useless. The relevant departments at all levels should pay special attention to this issue and take effective measures to seriously resolve the problems in this regard.

Agriculture is the foundation for the national economy. In a big country like ours, which has a population of 1 billion people, the situation in agricultural production is always a crucial issue concerning the national economy and the people's livelihood. Since the 3d Plenary Session of the 11th CPC Central Committee, agricultural production in our country has been growing steadily in all fields, and we are more than self-sufficient in grain and cotton. However, we must soberly notice that the per capita grain production in our country remains at a low level. In a previous period, there was a temporary "glut" of grain. In the long run, with the development of the national economy, and especially in view of the factor of population growth, we must ensure the steady development of agriculture on a long-term basis. It has been planned that the annual grain output will reach 900 billion jin by the end of the Seventh 5-Year Plan period. If agricultural production fails to keep pace with the development of other sectors of the national economy, then we will lack a solid material foundation for advancing the economic diversification in the rural areas and for bringing about a new economic structure in our country.

To ensure the continuous and steady growth in agricultural production, we must first rely on correct policies and on advanced technologies so as to arouse and maintain peasants' enthusiasm and initiative for production. At the same time, it is necessary to appropriately increase state investment in agriculture and to allocate material and financial resources for the construction of irrigation and drainage works and other capital construction for the farmland so as to improve the agricultural production conditions. Fine production conditions provide a material foundation for the continuous and steady development of agriculture, and an important aspect in our efforts to improve farming conditions is always to strengthen the management and construction of water conservancy facilities and irrigation works. No matter whether in traditional agriculture or in modern agriculture, irrigation conditions are always a key factor for agricultural production. As traditional agriculture is now being superseded by modern agriculture, the concept of agricultural production conditions is changing and expanding, but the construction of irrigation works is always an indispensable, important condition.

At present, we are facing the fact that our agriculture, as the foundation of the national economy, remains weak, and in particular, our agricultural production conditions are not sound enough and cannot satisfy the needs for the supersession of traditional agriculture by modern agriculture. If this state of affairs is not changed rapidly, not only the further development of agriculture but also the development of the national economy as a whole will be affected. Therefore, we must make great efforts to improve farmland irrigation conditions by building more irrigation works and properly maintaining and using the existing facilities so as to ameliorate our farming conditions. This is an important task in our rural work at present and in the future.

During the period of the Seventh 5-Year Plan, the construction of farmland irrigation works can be divided into two steps. In the first step, that is, in the coming 2 years, especially at the moment, we should concentrate strength on repairing and restoring the irrigation equipment, facilities, and works which are damaged and out of work, and should strengthen management over all existing facilities and bring them into full play so as to achieve better economic and technical efficiency. In the second step, we will start building new irrigation works in a planned and orderly way and will strive to increase the area of irrigated farmland in the whole country to 750 million mu and the area of farmland with drainage facilities to 290 million mu.

In order to achieve these targets, we must do a good job in the following fields:

First, we should strengthen propaganda so as to make leading cadres at all levels and the peasant masses fully understand the importance of protecting and building farmland irrigation works. It is a huge and arduous task to carry out large-scale construction of farmland irrigation works in the whole country. This task would not be fulfilled if the peasant masses do not really understand its significance and do not act consciously. So we must first let the vast number of grass-roots cadres and ordinary people firmly believe in the continuity and stability of our party's rural policies and believe that the production responsibility system will remain unchanged for a long time. In addition, we should help them correctly handle the relationship between the immediate interests and the long-term interests and deepen the understanding of the strategic significance of the construction of farmland irrigation works, and should encourage them to increase investment in farmland capital construction and consciously maintain and build farmland irrigation works.

Second, we should strengthen leadership and actively implement and improve the responsibility system for managing the irrigation facilities. Practice shows that whether the local authorities pay attention to the construction of irrigation works greatly influences the state of affairs in this field. In particular, leading organs at the county and township levels should take the construction of irrigation works as one of their routine tasks and should make arrangements for this several times a year. At the same time, measures should be taken to establish a sound system for managing the irrigation facilities, and a sound management responsibility system should be set up. Under the premise of maintaining the public ownership of the irrigation facilities, irrigation stations at district and township levels can contract the management of irrigation works to ordinary peasant households, households specializing in managing irrigation works, or some local peasant business organizations according to the scale of the works. Some irrigation service centers can also be set up to conduct unified management of the irrigation works. The contracts can be signed for comprehensive management or for single-item management. The responsibilities, rights, and benefits of the contractors must be clearly defined in the contracts. The tenure of the contracts can be rather long. Special attention should be paid to protecting the legitimate rights and interests of the contracts. According to the experience in implementing the farm production responsibility system, no matter what forms the contracts take, the economic incomes of the contractors must be linked with the actual economic functions of the irrigation and drainage facilities they maintain.

Third, coordinated arrangements should be made to guarantee the necessary funds, materials, and labor force for the construction of farmland irrigation works. The funds can be raised through various channels. The state will increase investment in major projects for harnessing large rivers, overhauling large-scale irrigation works and water conservancy facilities, and renewing safety facilities. Investments made by provinces will be used for some ordinary projects. Small-scale irrigation works should mainly be handled by counties, districts, and townships on the basis of the funds accumulated locally. All units and households which will benefit from the irrigation works should contribute labor force to the projects. Materials and equipment needed in the projects should be included in the supply plans and preparations should be made early in advance.

Fourth, the relevant laws and regulations should be strictly enforced. Serious actions should be taken to check the activities of illegally occupying, damaging, and stealing irrigation works equipment and facilities. In those serious cases, the criminal offenders should be punished according to the law.

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ON PURPOSES OF PRODUCTION OF SOCIALIST ENTERPRISES

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 28-32

[Article by Li Guangyuan [2621 0342 6678]]

[Text] Some comrades are of the opinion that the purposes (or direct purposes) of production of socialist enterprises are to attain the maximum amount of profits. Against this, I have a different view. I shall set it forth below, for discussions with the relevant comrades.

The purposes of production of socialist enterprises refer to the motive and the targets of enterprise workers engaging in production, management and operation activities as determined by objective economic relations. They constitute the source of the enterprises' motive power and the rule of conduct consciously observed by the enterprises. Hence, in order that socialist enterprises have full vitality and at the same time possess correct targets of conduct, that is, rationalization of the enterprises' conduct, it is necessary to understand clearly what the purposes of the production of enterprises are, that is, what after all is the production of enterprises for?

If people interpret the whole socialist production as that of a large factory in which the enterprises lack the character of independence and the power of decisionmaking and all their acts must follow the plan and command of state organs, then the purposes of the production of enterprises and the purposes of entire socialist production may be said to be identical, and the enterprises can hardly talk about having any purposes of their own because only when one can make decisions by himself in his acts can he claim to have any motive for his acts and the targets he strives for. At present, this understanding has been refuted by actual practice. The development of socialist economy objectively demands that people must recognize that enterprises (this article refers only to enterprises owned by the whole people) occupy the position of producers and caretakers of socialist commodities and are relatively independent, can operate autonomously and are responsible for their own profits and losses in the whole socialist economic structure. Thus, the problem of the purposes of production of enterprises becomes an important problem which urgently needs solution in theory and in practice.

Under the socialist system of ownership by the whole people, enterprises belong to the joint ownership of the entire body of workers and are the cells of this organic structure of the economy of the socialist system of ownership by the whole people. Workers of the enterprises are collectively entrusted by the entire body of workers to engage in the production, management and operation activities of the enterprises and are responsible to the entire body of workers. This objective economic position determines that the enterprises must take as the ultimate purposes of all their acts the purposes of entire socialist production, that is, fulfilling the needs of the material and spiritual lives of the whole body of workers. However, between the enterprises' production, management and operation activities and the meeting of the needs of the whole body of workers, there are still many intermediate links. In particular, the link of market or commodity exchange must be traversed first, and, besides, the products of many enterprises cannot be directly employed to satisfy the needs of the material and spiritual lives of the workers. Hence, in the struggle for the common ultimate purposes, the various enterprises must emerge separately from their station in the social division of work and, within the scope of their own production, management and operation activities, determine the concrete targets that their own acts can achieve and the direct purposes of their own activities. These are the purposes which the enterprises demand of themselves to directly achieve for the sake of realization of the above-mentioned ultimate purposes and may be said to be putting the ultimate purposes in concrete form. Briefly speaking, these purposes are providing the socialist market, at the minimum consumption of labor, with commodities suitable to the needs. To put it in greater detail, this is, under the conditions of being beneficial to the healthy development of the body and mind of the workers, using the minimum consumption of labor (including both materialized labor and living labor) providing commodities which in variety, quantity and quality can satisfy social needs (generally manifested in market needs). Commodities satisfy people's needs by means of their utility value. Hence, what is mentioned here about providing commodities which are suitable to needs in reality implies providing utility value suitable to needs. Expenditure of value as social labor is here the means of producing utility value.

And why should enterprises take this as their own direct purposes?

First, only the means of subsistence can be used to satisfy the needs of the material and spiritual lives of workers. However, not all enterprises produce the means of subsistence. Enterprises producing the means of production, provided the commodities they provide are really needed by society, may be said to have contributed to realization of the ultimate purposes of socialist production because in the last analysis the means of production needed by society are for the production of the means of subsistence. On the other hand, in the case of enterprises producing the means of subsistence, if the commodities they turn out are not in variety, quality and quantity suited to social needs, then the portion not suitable to needs represents a waste of social labor and is detrimental to the realization of the ultimate purposes. Hence, insofar as the enterprises are concerned, regardless of to which industry or trade they belong, their direct purposes are to provide society (in general the market) with commodities (including material goods and labor) which are suitable to needs. The acts of enterprises in this connection represent their concrete acts, each in their respective station, in the struggle for the realization of the ultimate purposes of socialist production.

Second, all the savings in materialized and living labor effected by enterprises are in effect a portion of the savings in gross labor power of the whole body of workers. Savings of this kind imply that society and enterprises consume relatively less labor to attain more utility value to meet the subsistence needs of the workers. Hence, to contribute strength to the realization of the ultimate purposes of socialist production, enterprises must devote their efforts to effect economy in labor.

Third, the healthy development in body and mind of the whole body of workers is a constituent part of the ultimate purposes of socialist production, because the workers' needs in their material and spiritual lives include the healthy development of the body and mind of the workers. The enterprises can directly achieve this by: first, making their products beneficial to the healthy development of the body and mind of the workers; and, second, devoting all possible efforts to improving the enterprises' working conditions (naturally starting from the existing production level).

To measure whether or not the acts of an enterprise are in conformity with the purposes (including the ultimate purposes and direct purposes) of socialist production and the extent of their conformity, it is necessary to have a series of targets which include targets in kind (such as production volume, marketing volume and labor productivity rate denoted in kind) and value targets (such as production value, amount of sales, net production value, profits, and labor productivity rate denoted in value). Value targets provide a commonly used standard for utility value production of different kinds which cannot be put in comparison in terms of goods. They also serve as tools for distribution of labor, measurement of economic benefits and regulation of the interests of various sides and hence are indispensable for organizing utility value production and realizing the purposes of socialist production. Among the various kinds of value targets, profits (including taxes and fees delivered to the state) are of an especially important character. Because profits represent the difference between sales receipt and the cost of production, generally speaking they can comprehensively and more likely reflect the degree of the enterprises' products being suitable to meeting market demands and the extent of the enterprises' savings in labor. Precisely because of this, variations in profit can reflect changes in market demand as well as changes in the operation results of the enterprises, and thus become an important basis for the enterprises' policy-making. In the past economic structure of centralization which refuted recognition of the decisionmaking power of the enterprises, this role of profits was greatly reduced in scope and for many years the criticism of "profits taking command" had caused immense losses to the national economy. Against a situation of this kind, in the current reform of the structure it is necessary to emphasize the role of profits. However, as far as socialist enterprises are concerned, profits can only be taken as a kind of means and not the purposes. In other words, the profit-making acts of enterprises should be governed by the above-mentioned ultimate purposes and direct purposes of production of enterprises and by no means should all the acts of enterprises be subjected to profit-making.

Why cannot enterprises take profits as the direct purposes of their acts?

Because to take profits as a criterion to measure the character of the enterprises' acts being in agreement or not with the purposes is subjected to a number of limitations. If enterprises take profits as the direct purposes of their own acts, then these limitations can very easily lead them to evil ways.

Taking profits as a means to measure the character of the acts of the enterprises, that is, whether or not they conform with the purposes, has the following limitations:

First, sales receipts and the portion of the consumption of materials in the cost of production are both manifested as the prices of certain commodities. Hence, the amount of profits of an enterprise, in addition to being determined by the enterprise's own efforts, is also determined by the prices of the various relevant commodities. If we make an abstract discussion of this category of profits we can suppose that under certain theoretical conditions, the prices of all commodities can reflect the amount of necessary labor expended by society in producing them. Under such theoretical conditions, an increase in the profit of an enterprise may indicate an increase in the contributions of the enterprise to fulfilling the purposes of meeting social needs. But in the realistic life of socialist commodity economy, determination of prices still depends on many and complex factors. We shall not mention that in the near future it will not be possible to completely rationalize the many kinds of irrational prices caused by historical reasons and by the defects in the original economic structure, or policies and work. Theoretically speaking, not only the prices in a socialist commodity economy possess the function of spontaneously reflecting the relations between value and supply and demand but also the differences between price and value constitute the levers and tools which society consciously uses to readjust the relationship between various kinds of interests and to realize certain development strategies, policies and targets. At times, socialist production purposes demand that enterprises produce commodities which are needed by society but yield relatively little profits. In addition, under socialist conditions, competition is restricted. Enterprises in a position of monopoly in certain fields may utilize their position to artificially raise the prices of their products and thus obtain irrational profits. The above-mentioned complex conditions make it difficult to judge accurately whether or not high or low profits can reflect the large or small contributions made by the enterprises to providing the commodities needed by society.

Second, assuming that all prices accurately reflect society's expenditure of the necessary amount of labor, if the enterprises, through lowering the cost of production, manage to increase the profits, it still does not necessarily reflect the extent of the enterprises' savings in labor consumption. This is because savings in labor consumption demanded in the purposes of socialist production and the enterprises' lowering the cost of production are two things of a different nature, and the amount or volume involved is frequently not equal. In particular, savings in living labor may not be equal to the reduction in the cost of production expended on remuneration to labor and/or the corresponding increase in profits. On the one hand, savings in living labor refer to savings in the entire volume of labor forming the new value and not to only the reduction in the cost of production. On the other hand, the outlay expended by the enterprises on the receipts of the workers and their outlay on the consumption of the means of production are basically different from each other in nature (unlike the case in capitalist commodity economy in which the two are both capital outlay). The substance of the workers' income is in the form of the workers' common distribution of the fruits of their joint labor. A portion of it is used as expenses for reproduction of labor power, while the other portion which grows continuously following the development of production is expended on improving the workers' material life and spiritual life and not on compensating the expenses on reproduction of labor power. A planned increase in the workers' income on the basis of the development of the social productive forces is precisely the form of realizing the purposes of socialist production.

Third, maintaining and improving the labor conditions for the healthy development of the body and mind of the workers may increase the cost of production and reduce the profits. Hence, at times, a higher profit rate may arise from irrationally reducing the expenses on maintaining and improving the labor conditions. Under such conditions, an increase in profit does not indicate an improvement in the character of the enterprises' acts or that they are in line with the purposes; in fact, it may be exactly the opposite.

Fourth, socialist commodity economy is an entity embodying common interests. This is the basic and special feature of a socialist commodity economy being different from private ownership commodity economy. When the enterprises strive to realize the purposes of socialist production, they consider not only their own economic benefits but also the socioeconomic benefits and other social benefits of their own acts. Under such conditions, this cannot be reflected by the profits of enterprises. For example, the protection and rational use of natural resources, prevention and control of pollution, and maintenance and improvement of the ecological environment frequently require the enterprises to increase their expenses and thereby reduce their profits. There is also another category of conditions. This is that reduction in the profits of certain enterprises producing certain categories of commodities or rendering certain services (such as certain public utility enterprises) may bring about an even larger increase in the benefits of enterprises or individuals using these commodities or receiving these services, so that, viewed as a whole, the socioeconomic benefits are increased.

Fifth, an increase in profit at times (particularly when supply lags behind demand) may come from doing shoddy work and using inferior materials, lowering the quality of products, cheating the customers with false goods in lieu of bona-fide goods, doing harm to the consumers, violating socialist commercial codes and committing unlawful and nondisciplinary acts. In the first half year of 1985, the output value and profits of many enterprises increased on a relatively large scale but the quality of their products declined and in certain localities faking of goods of well-known brands was prevalent. Behind these phenomena, acts violating the purposes of socialist production must have been rampant! What stunned people most were the case of the manufacturing and selling of fake medicine of the Jinjiang area and the case of the Wei County of Hebei Province illegally selling those medicines which had been openly banned from sales by a government mandate. But these cases were only the more glaring examples. Participants in the illegal activities of these two cases included not only enterprises of collectives but also state-run enterprises scattered throughout 29 provinces, municipalities, and autonomous regions! The more "unrighteous" money obtained through these means, the farther they may be said to have deviated from the purposes of socialist production.

Despite the fact that the method using profit to measure and check the character of the compliance of the enterprises' acts with the mentioned purposes has the above-mentioned limitations, if the workers, first of all the leadership personnel, of the enterprises can clearly and firmly follow the guidance of the above-mentioned ultimate purposes and direct purposes of production of enterprises, take as their guiding line the healthy development of the body and mind of the workers, most efficiently provide the workers with the commodities they need, and firmly insist on the principle of serving the people and the guideline of "quality first," then they still can appropriately make use of profits as a measure to realize the purposes of socialist production. They will be able, based on the criterion of whether or not the measures are beneficial to the realization of the purposes of socialist production, to make a selection of these measures, namely: taking those which are beneficial to realizing the purposes of socialist production and rejecting those that are injurious to realizing the purposes of socialist production. Take only "righteous money," and reject "unrighteous money." By so doing, this measure of profit can actively carry out its function of promoting the development of socialist economy.

If the enterprises take the making of maximum profits as the direct purposes of all their acts, then they will make another selection: taking any measure beneficial to increasing the profits and rejecting any measure not beneficial to increasing the profits. Under ordinary conditions, providing to society commodities that are suitable to needs is an acceptable measure but when there is a possibility of adopting other less troublesome but more profitable measures, naturally such a possibility is the more attractive and acceptable. It is true that the state can adopt various kinds of measures such as economic, administrative, legal, ideological, and educational measures to prevent the adoption of profit-making measures which are harmful to society. However, since profit is the motive and target of all the acts of the enterprises, all these government measures will be considered as hindrances and impediment to the realization of their own purposes. Quite conceivably, they will do everything possible to take countermeasures to break or circumvent the state's regulations and measures.

Another concept of profit is that it is a means to realize the purposes of socialist production, that is, regarding the uses of profit it may be said that a portion of it can be used by the state and the enterprises on public welfare projects, directly satisfying certain subsistence needs of the workers, while another portion may be used by the state and the enterprises on expanded reproduction, thereby creating the material conditions for further satisfying the needs of the workers. The portion of profits used on national defense, management, and other sectors is also for ensuring protection to the workers' welfare and development. But, in actual life, profits may also be used carelessly and casually, that is, use of the profits may not necessarily be in line with the demands of the purposes of socialist production. Just what is the criterion for whether or not profits have been used properly? The criterion is whether or not their use can attain the ultimate purposes of socialist production and the enterprises' direct purposes. Profits are used properly only when there is a firm insistence on the purposes of socialist production. Conversely, if it is said that the attainment of profits is the direct purposes of the enterprises' production and that so long as profits are obtained the purposes may be considered to have been accomplished, then insofar as the acts of the enterprises are concerned, there is no criterion needed to judge whether or not use of the profits has been proper and we may say that the criterion now is simply whether or not more profits can thereby be obtained. Thus, there will be no way to bring up the problem of the use of profits correctly, that is, in conformity with the socialist purposes.

Some comrades who advocate that enterprises should take profit-making as their direct purposes reason as follows: Only through the attainment of profits can the enterprises continuously expand reproduction and can they meet the daily growing needs of the enterprises' workers and society at large. This is correct. It explains why profits are extremely important to society as well as to enterprises. But this importance lies in that it is an indispensable means for society and enterprises to realize their purposes. This reasoning also precisely explains why profit-making of enterprises is a means to carry out expanded reproduction and thereby further meet the workers' needs and is not the purpose.

In the reasons mentioned above, we have mentioned "attainment of profit" and also "satisfying social needs." These two are truly what the enterprises want. The question is: Which is the purpose and which is the means? I believe that this is an important demarcation line which differs socialist enterprises from capitalist enterprises.

The objective which capitalists go after is to attain the maximum profits. Under ordinary conditions they are also concerned with the use value of their commodities and they will do the utmost to produce marketable goods so as to meet the social, or market, needs. But all this is only a means, one that under ordinary conditions they cannot but adopt. Just as Marx said: "The motive of capitalist production is to earn money. The production process is only an intermediate link which is indispensable for earning money and is something which is frustrating and wasting of time and efforts but which nevertheless must be done for the sake of making money." ("Collected Works of Marx and Engels," Vol 24, p 68) Hence if some other means is available for selection which is easier and more worthwhile, they will rather not do this luckless thing but turn to the other means. For example, if they definitely believe that the buyer can be cheated, they will substitute the real with the false and use poor quality goods to replace superior quality goods. According to the capitalist's logic, this would simply be a different means to realize the same purposes and is available for selection under different conditions. Profit is the objective; all acts and all means should be subservient to it.

Some comrades are of the opinion that the internal motive power of an enterprise comes from its own interests; hence only when the enterprise takes profit as the objective can it possess the internal motive power. Based on the reasoning that motive power comes from the enterprise's own interests, they should have said that the enterprise's objective is its own income, or rather the portion of the profits retained by the enterprise, that is, its profit-retention, because only this portion is what they said to be the enterprise's own interests. Since they did not mention the enterprise's receipt or income but said that profits were the enterprise's objective, then it may be assumed that the enterprises can see that an increase in profit in its entirety includes an increase in the enterprise's profit-retention and that the portion of the profit delivered to the state is also ultimately beneficial to the enterprise. Therefore, profit in its entirety, that is, the entire interests including the enterprise's own interests, can be taken as the enterprise's motive power or driving force and not merely limiting the enterprise's own special interests as the motive power. This being the case, why cannot it be recognized that enterprises should, and can, see that to save as much labor consumption as possible and provide society with commodities suitable to its needs and take this as the objective can better manifest the integration of the interests of the whole with the interests of the enterprises, that to struggle with this objective can bring about a joint increase in the interests of several sides, and that, therefore, from this objective a more powerful motive power can be derived?

Naturally, to make the enterprises perceive this point and derive from it a powerful motive power, it is necessary to do much work. First, we must do a good job in the reform of the economic structure which centers on strengthening the vitality of the enterprises and carry out a correct distribution policy so that the enterprises' acts which conform with the socialist purposes are duly recognized and encouraged (including both material encouragement and spiritual encouragement) by society and so that the improvement in the enterprises' interests and the interests of the individual staff members and workers are appropriately related to their contributions to the whole interests. Meanwhile, it is also necessary to strengthen ideological and political work and particularly the educationing that the interests of the three parties, namely, the state, the enterprise, and the staff must be simultaneously attended to and integrated, that the individual must obey the collective and that the part must be subservient to the whole. Innumerable facts have shown that the motive power generated by the correct integration of the interests of the whole, the part, and the individual is much stronger and more sustained than that generated by the private interests of the part or the individual. Moreover, only this kind of motive power conforms with the direction of development of a socialist society.

It should also be seen that definitely there are leadership personnel of enterprises who take the enterprise's own interests, that is, the enterprise's own receipt or income, as the direct purposes and motive power of their acts. Thus, as far as they are concerned, an increase in the profits as a whole is also one of the means for selection. When profits cannot be increased, they will adopt special means (such as holding back delivery of taxes to the state) to achieve their purposes. If we follow the viewpoint that motive power and purposes can come only from self special interests, we may go so far as to conceive that the leadership personnel of enterprises will take their own individual receipts as the direct purposes of their own acts and the only motive power, and that to seek profit for the enterprise is only one of the means for selection. If there are other means which can make the individual's receipts become faster and larger, then they would rather turn to these other means. All are merely means, only the increase of the individual's receipts is the purpose. What consequences this ideology and acts can bring to society and the individual can only be seen from Jinjiang's case of selling fake medicines and the blowing of various kinds of improper winds.

Some workers who truly possess socialist consciousness that condemned these erroneous ideas as being "all for money" and "money first," pointed them out as the reproduction of the rotten idea "that if one does not care for himself, he stands condemned by God" that could prevail only in a society under the system of private ownership. This is true to the point.

Nevertheless, since the workers can join together and replace the private ownership system with the public ownership system of the joint ownership of the means of production and enable this unprecedented economic system not only to stand firm but also to triumphantly develop, surely in the actual practice of their common ideological struggle, they can gradually overcome the rotten idea of everybody for himself still retained by remnant portions of their ranks and establish a new viewpoint suited to the development of the economy of the public ownership system--the concept of simultaneously minding individual interests, partial interests with whole interests, integrating them and enabling them to grow jointly. Everybody goes for a common objective which embraces partial interests and the interests of each and every individual. Economically speaking, this common objective is the ultimate purpose of socialist production and its concrete manifestation at each and every situation, each and every level, and each and every unit.

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THE BURDEN IS HEAVY AND THE ROAD IS LONG--DISCUSSING THE POSITION AND ROLE OF THE PARTY COMMITTEE SECRETARY AFTER IMPLEMENTING THE FACTORY DIRECTOR RESPONSIBILITY SYSTEM

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[Text] For over a year, we have gradually implemented a new enterprise leadership system--factory director (manager) responsibility system--in the course of our urban economic structural reform and gained much successful experience. However, some problems worth considering and probing into have also cropped up. This article tries to give some superficial opinions on the position and role of party committee secretaries after the implementation of the factory director responsibility system.

Since the implementation of the factory director responsibility system, some comrades hold that the posts of factory director and party committee secretary can be concurrently assigned to one person. Their reason for this is that this is conducive to unifying and coordinating the direction over the political work and production in an enterprise, to streamlining the enterprise's leadership group, and to eliminating the conflicts between the two heads of the enterprise. These arguments have some ground and are supported by our practice, but in my opinion, in order to perfect the leadership system in our enterprises, these two posts had better be undertaken by two separate persons.

1. From the point of view of the socialist nature of our enterprises, our socialist enterprises have to adhere to the socialist orientation as well as develop production. Therefore, the CPC Central Committee's "Decision on Reform in the Economic Structure" (shortened as "Decision") requires that among our socialist economic management cadres, there should be "party committee secretaries who can adhere to the correct political orientation" as well as a large number of "factory directors (managers) who can outstandingly and effectively organize and direct the production and operation of our enterprises." The "Decision" puts forth different requirements on the ability, virtues, and role of factory directors and party committee secretaries from the two angles of the construction of the socialist material and spiritual civilizations. According to these requirements, the two different

posts of factory director and party committee secretary should be assigned to two separate persons.

2. From the point of view of the science about people's talents, it is easy to get talented people specialized in some line of learning but difficult to get people talented in all fields. The people talented in all fields who are competent to organize and direct production and at the same time good at doing party and ideological and political work are indeed rare. Moreover, a person's energy is but limited and it is not easy for him to do both the jobs. Assigning the posts of factory director and party committee secretary to two persons can give play to the ability of each of the two persons and thus employing people in the light of their ability and giving full play to their ability.

3. From the point of view of the organization of the leading group for an enterprise, a shrewd factory director needs a competent party committee secretary to fight shoulder to shoulder by his side and needs to discuss his correct decisions with another person. "It is necessary for a hedge to have three poles and for a good man to have three people to help him." Assigning factory director and party secretary to two separate persons and organizing a good leading group on the basis of these two leaders conform to the requirements and aim of the factory director responsibility system.

4. From the point of view of the task of the construction of spiritual civilization and our ideological and political work in the new period, during the great historical period of the realization of the four socialist modernizations and the economic structural reform, the party work and ideological and political work in our enterprises are very arduous. This includes the task of doing a good job of ideological and political work while doing a good job of economic work, training a generation of new socialist people, and satisfactorily grasping the construction of spiritual civilization while satisfactorily grasping the construction of material civilization. It is necessary for a full-time party committee secretary to undertake such arduous tasks.

5. From the point of view of the position of the party organization in an enterprise and the responsibility of the party committee secretary, the party organization should be the core of the political leadership and unity of the enterprise. Some comrades have put forth the view that as an enterprise is a socialist economic organization, after the implementation of the factory director (manager) responsibility system, the party committee should no longer be the core of the leadership and unity of the enterprise. This is not a correct view. After the implementation of the factory director responsibility system, the party's leadership is no longer embodied in the concrete leadership and direction over the production and operation. However, this does not mean that the leadership position and role of the party organization has been eliminated, but it means a change in our view under the new historical conditions and the party organization continues to be the core of the political and ideological leadership and unity in the enterprise. This role as the core is reflected in the phrases of "adhering to the correct political orientation" and "rallying around it the vast number of staff and workers of

the enterprise." Therefore, the position and role of the party committee secretary are very important and irreplaceable.

Persisting in doing ideological and political work has been a fine tradition of our party and a fundamental guarantee for the victory of our revolution. Inheriting and carrying on this fine tradition of the party under the new historical conditions is also a fundamental guarantee for our economic construction to achieve victory. This reminds me of a story about a peasant who invited a "party representative" into the factory that he had set up in town, a story that provides us much food for thought. In May 1984, Ma Zhongxiao, a peasant in Lingtou village, Chengcheng County, Shaanxi Province went to the county town to set up a trademark printing house together with four other peasant households. After the peasants moved to the town, some young peasants' thoughts were confused. Some of them got drunk and fought with one other; others stayed away from their dormitory at night; and still others bullied the young women. Ma Zhongxiao fired some of them, but this did not prove effective, and he was worried by the malpractice. Moreover, he also worried that he might not correctly understand the party's policies and thus lead the factory astray. Therefore, he thought that he had to employ a party member in his factory who knew management as well as was able to do ideological work. With the help of the county party committee, he employed a "party representative" in his factory. Soon afterwards, his small nongovernment enterprise, which was previously in chaos, was filled with vitality. Ma Zhongxiao himself also handed in his application for party membership to the factory party branch. From this we got an instruction that even a peasant entrepreneur knows that it is necessary for him to employ a "party representative." Should we modern entrepreneurs of the working class not be wiser than him? Should our factory directors not each have a party committee secretary to cooperate with him?

I have expounded on the necessity here of assigning the posts of party committee secretary and factory director to two separate persons and that it is not appropriate to assign the two posts concurrently to one person. This is said in its general sense and it by no means shows that I oppose that in some enterprises at present, in particular in some small enterprises, these two posts can be assigned concurrently to one person. The living soul of Marxism is to make concrete analysis of concrete situation. In carrying out any reform, an enterprise should suit its measures to local conditions and should not pursue "uniformity." This is also so for the implementation of the factory director responsibility system.

After the implementation of the factory director responsibility system, the party secretary and factory director should each have his office duties. But in the actual process of the implementation of this system, the party committee secretaries in some enterprises hold that the power of the factory directors has been expanded and these directors have more things to attend to, but their own power is reduced and they have nothing to attend to. Thereupon, some secretaries have asked the question: "What is my position?" It seems that it is indeed imperative to make a clear distinction between the office duties of the factory director and party secretary and in particular to clearly define the office duties of the latter.

What are the office duties of a party committee secretary? To sum up, it is to "adhere to the correct political orientation" and "rally around him the vast number of staff and workers of the enterprise."

First, the party committee secretary should "adhere to the correct political orientation" in two spheres:

The first is in the sphere of material production. In this sphere, he should adhere to the socialist orientation for the production and operation of the enterprise and enable the enterprise's production and operation not to deviate from the socialist orbit even for a moment. Our enterprises are socialist commodity producers and operators. The fundamental aim of their production and operation is to accumulate wealth for socialism, to make contribution to the prosperity of the country and the well-being of the people, and to continue to increase the income of the staff and workers in the enterprise on the precondition of the former aim. This is a principle that our party committee secretaries must adhere to. Comrade Chen Yun sincerely pointed out: "We should make all the comrades in our party understand that what we are carrying out is a socialist course and that our final goal is to realize communism." "A CPC member should always keep well in his mind that we are carrying out the four socialist modernizations and not any other modernization." The party committee secretaries in our enterprises must satisfactorily control this orientation. In doing anything, he should first consider the interests of the state and should put an end to any unhealthy practices such as keeping the profits that must be delivered to the state, paying bonuses indiscriminately, distributing all reserve funds, passing goods of poor quality for those of fine quality, and harming the interests of the customers, no matter who commits these unhealthy practices.

In handling the relations between the state, the enterprises, the producers, the operators, and the consumers, the party committee secretaries must firmly maintain the stand of party spirit and the party's policies, keep their minds sober, and refrain from following the trend blindly. This is a glorious duty for our party committee secretaries.

Our party committee secretaries should adhere to the correct political orientation in another sphere--the sphere of spiritual civilization. There is much work to do in this sphere. The most important of the work is to carry out education in communist ideology among staff and workers, in particular, young ones, including the systematic political theoretical education, and education in situation, policies, legal system, and discipline. At present, they should focus on satisfactorily grasping the education in four haves (have ideal, good morality, knowledge, and sense of discipline), in particular, they should attach importance to the education in ideal. While vigorously advocating the contract economic responsibility system, eliminating the practice of "eating out of the same big pot," and adhering to the principle of material interests, they should make vigorous propaganda about the spirit of dedication for the ideal and make the vast number of staff and workers understand that it is imperative to have the spirit of dedication in the period of socialist construction as well as in the years of the revolutionary wars. Ideal was in the past, is now, and will be in the future a real advantage for us. We should often give the vast number of staff and workers, in particular, young ones, accounts of the deeds of the large number of heroes and models on various fronts at present and teach them to learn from the heroes who have been defending our country's territory on the two mountains, and learn from the spirit of the Chinese women's volleyball team and the spirit of the Chinese South Pole exploration team, and enable them to consciously carry on the spirit of dedication for our cause. Our party committee secretaries should regard transmitting the spirit among the staff and workers and imbuing them with it as their office duty and as a work of first priority to grasp.

In carrying out the above-mentioned work, our party committee secretaries should utilize the strength of the organizations to form several networks: 1) The network to supervise the socialist orientation of their enterprises. Initiated by the party committee, a management decision consultative and supervisory network is formed. The party committee, factory director, and factory committee are all taken into the network. The members listen to periodic reports delivered by the factory director, but they do not directly take part in making decisions, but supervise and examine the decisions. 2) We should strengthen the party's network of ideological and organizational construction. The office and organization and propaganda departments of the party committee should be taken into the network, which relies on these organizations to carry out its work. 3) We should organize a network of propaganda and agitation, take the propaganda department of the party committee, the trade union, and the CYL organization into the network and carry out activities of propaganda and agitation and cultural and recreational activities among the staff and workers, and educate them through these activities. These networks are controlled by the party secretary. Satisfactorily grasping this work is an important duty for the party secretary.

In the spheres of ideology, morality, and work style, a party committee secretary should set an example among the staff and workers. He should first personally do what he requires the staff and workers to do. Only by so doing can he convince them and make them obey him. An outstanding problem now is that he should have the spirit of being the first to undergo hardship and being the last to enjoy happiness. In other words, he should have the spirit to be the last to become rich. The party's policy allows some people to become rich earlier than others. On the one hand, we communists, in particular party secretaries, should serve the people by helping them become rich; on the other hand, they should be satisfied with being the last to become rich. They should by no means use their power of office to become "rich earlier than others." Comrade Ma Shengli said well: Since you are the factory director and have much power, is it not easy for you to become rich earlier than others? Of course, a party secretary and factory director should get their due bonuses that they have well earned and for which they are not to be blamed. However, their bonuses should not be too much bigger than those paid to the staff and workers. It is a good practice that many enterprises have stipulated that the bonuses for their party secretaries and factory directors are to be of the average level of their staff's and workers'. There is a party secretary in a certain enterprise who previously enjoyed a high prestige among the staff and workers. However, at the time of promotion, he promoted himself one more grade than others and thus made the staff and workers indignant against him. We should be on our guard against such practice.

Second, a party committee secretary should strive to rally around him the vast number of staff and workers. Unity means strength. The key to the question of whether an enterprise can be satisfactorily run lies in the unity in its leading group. First, there should be unity between the party secretary and the factory director. Then they will be able to unite the whole leading group and all the staff and workers. The party committee secretary should play a nuclear role in this unity. There is no shirking of this responsibility for him.

For an enterprise, there should be an open-type factory director and also must be a party secretary who is good at the work related to coordination and unity. Only when there is such a party secretary in the enterprise can all the strength be united and can a firm leading group take shape. Practice has proved that in an enterprise that has operated satisfactorily, there is always a united leading group, in which the unity between the factory director and the party secretary is particularly important. The failures in some enterprises are first of all because of the disunity in their leading groups. In implementing the factory director responsibility system, we assess the performance of the party committee secretary by whether he is able to satisfactorily coordinate all the members of the leading group. The party secretary's work can be transformed into a kind of strength--the strength of unity among the cadres. I have a friend who is a newspaper reporter and who has been collecting news for a long time in a city. The economic reform and various aspects of work in that city are full of vigor and its economy has been enlivened; therefore, the city has been praised by some central leading comrades. I asked him what was the fundamental experience of the city. He said that the most important thing there was that in the city there was both a city mayor who was brave in blazing new trails and a city CPC committee secretary who was able to rally people around him and who had satisfactorily coordinated the relations between all departments. There are many differences between a city and an enterprise, in particular between their leadership systems, but from the point of view of the necessity for the party secretary to play his nuclear role in strengthening the unity and satisfactorily coordinating the relations between various sectors, I think they have the same need.

In regard to the question of how to handle the relations between the party secretary and factory director, quite many party committee secretaries have summed up their own experience. Some of them have put forth the idea of three contends and three do not contends: "Do not contend for power but contend for responsibility, do not contend for merit but contend for work, and do not contend for higher pay but contend for greater contribution." Others put forth the idea: "Be clear of the division of labor related to duties of office and refrain from paternalism in acting as a party secretary; adhere to the correct orientation and refrain from being muddleheaded; and do ideological work satisfactorily and refrain from being a shadow secretary." All these experiences are worth referring to. In the light of more than a year of practice in our city, a party committee secretary should satisfactorily handle the following three kinds of situations:

The first kind of situation is that the factory director is very experienced and has high aspiration, great competence and indomitable pioneering spirit. This requires the party secretary to do his best to support the factory director's work, rouse the whole factory to exert its force, forge ahead with great vigor, and do more work related to coordination and unity in solving the problems that have cropped up in the course of the progress. In regard to some problems that are insignificant for the whole situation, the party secretary should give in a little over them. There cannot be unity without giving in a little. The factory director and party secretary should often exchange information and manage to work with one heart and mind. By so doing, the factory director will be able to enjoy a relatively high prestige throughout the factory. The party secretary should act like the flower that gives the message of the arrival of spring and manages to refrain to contend for prominence in spite of its beauty. He should focus his strength on grasping party work and ideological and political work.

The second kind of situation is that the factory director is competent, but does not know how to apply his power or even abuses his power. It is possible for him to act arbitrarily. For example, some factory directors appoint to important posts those who are close to them rather than those who have talent. Soon they will put their originally good enterprises in difficulties. Under these circumstances, from the point of view of both the responsibility for a party member and the duty of office for a party committee secretary, the party secretary should not look on with folded arms. First, he should take the initiative to straighten out the relations between the party committee, the factory director and the staff's and workers' congress, clearly define their scope of duties, and set to right their positions. Second, he should frankly help the factory director correct his management thoughts and leadership style and through painstaking work help the factory director to develop his strong points and overcome his weak points. Third, he should give full play to the role of the staff's and workers' congress. All the things that are within the congress' power of legislation, supervision and approval, should be discussed democratically in the congress and should not be decided by one person's words. It is not easy to be a party committee secretary who can satisfactorily cooperate with such a factory director. Therefore, under these circumstances, it is vital for the party secretary to do a good job of maintaining unity.

The third kind of situation is that the factory director is newly appointed to his post, is not familiar with the conditions in the enterprise, and lacks experience and skill in doing the leadership work. But the party secretary is an old cadre in the enterprise, is familiar with the situation, has much experience in doing his work, and enjoys certain prestige among the workers. There are two kinds of factory directors. One kind of factory director is too careful and prudent. He relies on the party secretary in doing everything and takes his cue from the party secretary. For this kind of factory director, the party secretary should mainly give a free hand in his work and encourage him. When the secretary points out the way for his work and makes suggestions, the secretary should always "draw inferences about other cases from one instance," and should not make detailed suggestions in order to enable the factory director to enhance his abilities through practice. This is precisely what many comrades mean by the idea that the party secretary supports the factory director but does not take on everything. The other kind of factory director does not accept the correct suggestions made by the party secretary because of his insufficient ideological self-cultivation, rigid method of leadership, and failure to handle certain problems properly. Under these circumstances, the party secretary should not aggravate the conflicts between him and the factory director and must do the following three things: First, the party secretary must accept the idea that the latecomers surpass the old-timers, must welcome the junior cadre who he himself promoted to surpass him and allow the junior cadre to manage what should be managed by the factory director. The party secretary must adhere to the principle of four do nots--do not be jealous, do not contend for power, do not put on a rival show, and do not behave as an old leader over the factory director. Second, the party secretary must foster the idea of one dividing into two, must not negate everything on the ground of a single shortcoming and must realize that it takes time for a new cadre to grow up. When a new factory director reveals some outstanding defects, the party secretary should not negate his outstanding merits. Third, the party secretary must help the factory director enthusiastically and do a good job of passing on experiences, giving him help and setting an example in training new hands, and must often help the factory director overcome difficulties and anxiety. By so doing, the relations between the party committee and the factory director will become increasingly harmonized through a period of time of cooperation in working together. This has already been proved by the practice in some enterprises.

The implementation of factory director responsibility system is a great reform of the enterprise leadership system. The implementation of a new leadership system cannot be plain sailing and will inevitably encounter twists and turns and even setbacks. This is because the change in enterprise leadership system certainly involves the changes in quite many aspects such as thoughts and ideas, traditional habits, working methods and leadership methods. It takes time for the party committee secretary to adapt himself to the changed conditions. As long as our party committee secretaries frequently sum up their experiences in the process of their practice and pay attention to their leadership method, then the period of their adapting themselves to the changed conditions will be shortened and a large number of prominent party committee secretaries will grow up.

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RATIONALLY ARRANGE THE IN-DEPTH DEPLOYMENT OF SCIENTIFIC RESEARCH

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[Article by He Zhongxiu [0149 6988 4423]]

[Text] The "Decision of the CPC Central Committee on the Reform of the Scientific and Technological Structure" requires: "The rational arranging of in-depth deployment of scientific research so as to guarantee stamina for the development of the economy and of science and technology. At the same time as strongly pushing forward technological development work, we must strengthen necessary research so that basic research sees stable and sustained development." In order to correctly realize this demand, it is necessary on the basis of combining theory with practice, to clearly understand the following several matters.

Correctly Understand and Handle the Relationship Between Production, Technology and Science

The development of science and technology has its own laws. Seen from the history of mankind's development, when ape-man began to walk upright, used his front paws as hands and learned how to manufacture tools, he became man. The manufacture of tools was, in itself, technology. The source of technology is in the practice of production and begins in the accumulation of production experiences. When we say skill comes through practice, skill refers to technological improvement. No matter what work is engaged in, through practice, methods by which to raise productivity will be discovered. This change and improvement of the original technology will inevitably lead to the production of new technology. Much ancient technology was produced and gradually developed in this way. Modern steam engines, machine tools, and blast furnaces are all products of a great amount of production practice. Around about 1774, the repair tradesman Watt, on the basis of his own experience, changed and improved the Newcomen steam engine which had been in wide use in coal mines for over 60 years (since 1712), and thereby invented the "Watt steam engine." This engine reduced energy consumption by three-quarters and improved heat efficiency by four to six times, and it became a widely used machine. The widespread use of this new technology promoted the further development of the first industrial revolution. However, the theory of heat transfer and the relevant laws of thermodynamics were only established several decades after Watt's steam engine had been put into widespread use. We can see that technology is not the same as science. Science is the understanding of the objective world and its laws. Large amounts of technological experience must go through continuous summing up, conclusions, analysis and improvement before they can become systematized and distilled into scientific theory. Ancient man's understanding of science and technology was a general understanding, and science resided in technology. Following the development of practice, the accumulation of technologies and the systematization of understanding, science became officially independent and separate from technology. If we summarize this process, the general development sequence of science and technology before the 19th century was: production, leading to technology, leading to science. That is, from the practice of production, experiences were accumulated and these gave rise to technologies. When great amounts of technology were summed up, put in order and gradually turned into a systematic theory, they became science.

As soon as scientific theory is produced, on that new base it further promotes the development of technology and production. In 1897, Diesel used thermodynamic theory to plan and produce a new machine--the diesel engine. Previous steam engines could not compare with it in terms of energy consumption or efficiency, and it became the most efficient internal combustion engine of that time. It thereby gave a new boost to power technology. In the beginning, airplanes were also like this. When planes flew into the sky, people were not too sure what the power lifting them was. Thus, they were not able to control the planes very well. Only after the basic theories of aerodynamics were explored was it possible to have some conscious command over aircraft design and control, and this opened up a new period. From the 19th century on, scientific theory played an ever-increasing role in guiding the development of new technologies. For example, initially Faraday, through experiments, discovered the theory of electromagnetic induction (in 1831) and then only later did Siemens invent self-excitation electrical machinery (in 1867), which laid the base for the development of electrical technology. Only after Edison used a new style of generator which he had improved himself to establish the world's first generating station (in 1882), was electrical power produced, which gave rise to the second industrial revolution. If we say that the typical situation in the first industrial revolution was reflected in the process of production to technology to science, then the second industrial revolution very clearly reflected the process of science to technology to production. Basic changes occurred in the relationships between science, technology and production.

It should be recognized that modern science, technology and production have mutual roles. On the one hand, the accumulated experiences of production practice and the problems which occur in the production process promote the improvement and development of technology. The development of microelectronics and the establishment of semiconductor theory was like this. It was initially an attempt to resolve some of the problems in practice whereby the volume of vacuum tubes was too large, they consumed too much electricity, generated too much heat and their life-span was too short. Following the discovery that semiconductors could be used in detection, they saw gradual development and were continually improved. On the other hand, the development of science continually points the direction of development for technology, supplies new theories and methods and promotes new changes in existing technology. By these means, it basically promotes and pushes forward the active development of production. Today the new technologies which have arisen in the new technological revolution, such as laser, computers, automation and genetic engineering nearly all achieved breakthroughs first through scientific theory, which only later led to the development of the technology and its subsequent widespread use in production.

The history of the development of science and technology as outlined above shows:

1. At all times, production is the point of departure and the end result of scientific and technological development. Science and technology as they develop on the basis of production practice, are subject to the restraints of the level of production development. However, they can also play a great role in motivating and guiding production, and this role is greatly expanding. Science, technology and production are complementary to one another and are intimately linked.

2. Regardless of whether it is "production to technology to science," "science to technology to production" or science, technology and production having mutual roles, in all cases technology is the key link. Whether it is supported by science and initiates production, or is promoted by production and pushes science forward, in both cases technology plays the key role. Only when advanced scientific theory is developed through appropriate technology and linked with production can it be materialized as a useful social product. The practice of production also continuously promotes the progress of science through technological development. The main force of our nation's science and technology must be channeled toward economic construction and must greatly promote the work of developing technology.

3. Scientific development has its own patterns and theoretical research and progress are certainly not without use. Although one cannot immediately see the role it plays in production, one cannot therefore negate its significance, as it is possible that it will be the basis and forerunner of future production. Science not only can provide new principles, methods and materials and create or extend new technologies, but can also directly lead to the emergence of new industrial sectors (such as automatic control, nuclear energy application, antibiotics production and biological engineering). If there is no guidance from science, it will be difficult to achieve great technological breakthroughs. Great advances in basic science often lead to wide-ranging technical revolutions which open up new prospects for the great development of production.

Thus, correctly recognizing and handling the relationship between production, technology and science is a matter to which we should give foremost attention in rationally arranging the in-depth deployment of scientific research during the reform of the scientific and technological structure.

Rationally Handling the Relationship Between Basic Research, Applied Research, and Developmental Research

With scientific work, the various different types of research each have their own tasks and roles. At present, our nation divides this research into three basic categories, based on those classified standards as set down by UNESCO. These are basic research, applied research, and developmental research (technological development). The major basis on which this division is made is that, in the overall process of scientific research, each of these types of research has its own research targets, goals, tasks, results and roles.

Seen in terms of the scientific research level, the first of these is basic research. This takes something specific in a particular area of the objective natural world as its research target and has the explanation of the target's nature, structure and laws of movement as its goal. Its task is to gain a full understanding of the target of the research so as to uncover essential, universal laws of the natural world, and thus provide new opportunities and avenues for practical use. Its results are various scientific discoveries and the establishment and development of various theories. The vast majority of these are manifested in an intellectual form, as scholarly articles, scholarly reports or theoretical monographs.

Next, there is applied research. The research target is the results of basic research. Thus, the research aim is exploring how to apply the laws which were uncovered through the basic research results, and the establishment of various general technological principles or specific technological rules so that the knowledge already obtained can be put into practical use. Its task is to supply plans and prototypes of techniques and products in order to renew existing technologies, develop new technologies and develop new industries. Although the specific form of their research results may be models and prototypes, design manuals or scholarly reports, their essential characteristic is technological invention. Thus in science theory, this is also referred to as "technological (science) research." It is an indispensable and central link in the science-technology system and in the science, technology and production system, as it is the key in changing science into social material wealth.

The third level is developmental research. This changes and improves existing technology on the basis of the general technological principles and specific technological rules already discovered through applied research. Its task is technological development and the creation of new products and techniques to be directly used in production. The specific forms of developmental research are often in material form, such as developmental models or prototypes, or in an information form, such as design blueprints or design manuals. They can also be in a knowledge form, such as scientific articles and reports. However, their basic characteristic is that they are all further creations of an engineering nature. Thus, in science theory, some people call this "engineering (science) research." Its practicality is great and it is linked up with products. It is thus able to directly serve factories and enterprises in improving economic results.

Our nation is a developing socialist nation. There is still quite a large difference between our nation and developed nations in terms of the level of production technology. Thus, many scientific achievements have not been fully utilized in economic construction. At the same time, our nation's scientific and technological strengths and economic strengths are still fairly frail. It is precisely because of this that in our nation's deployment of scientific research forces at present, we should first take as the key point technological development work involving the comprehensive utilization of domestic and foreign advanced scientific and technological results. This includes "promoting in a planned way large-scale technological transformation, spreading all sorts of technological results which have good economic results, and actively utilizing new technology, new equipment, new techniques and new materials." We need to create the following kind of environment: We must ensure that most research organs, especially those research units closely connected with technological development, are able to really fill the needs of society. They must be encouraged to establish mutually beneficial relationships with enterprises and planning organs, and be allowed to retain a portion of funds, based on a certain ratio of newly increased profits, for technological research. Also, through promoting the use of technological results in commodities, we can ensure that they really produce an internal vigor directed at the economy; we must ensure that a large number of outstanding scientifically and technologically talented people are able to work in the front line of production, so that the majority of scientific research personnel can actively gear themselves to the economy, and do scientific research which is urgently needed in production and life; we must ensure that the advanced technology appropriate for use in military industry systems, coastal cities, and scientific research sectors is promptly transferred to civil use, hinterland use, and production use. Of course, we must, through the reform of the economic structure continue to take "reliance on technological progress in increasing economic benefits" as the major norm in assessing enterprises, as this will encourage the enterprises to strengthen their technological absorption and development capabilities.

Of course, this alone is not enough. At a deeper level we must strengthen applied research. In social practice, applied research must seek a theoretical basis and seek breakthroughs in resolving quite wide-ranging, general technological difficulties. For example, in order to improve the anticorrosiveness and antifracture capabilities of materials, and to reduce the friction of materials and consumption through wear and tear, it is necessary to carry out applied research in surface physics. Through the collection, summing up, analysis and study of the materials and data which come from basic research and the various aspects of production and technology, these then become usable knowledge, and models for formulating new technology and new techniques. These technologies and techniques will then again be used in the development of technology in production practice. In this process not only are science and technology linked together and science manifested as technology, becoming a specific advanced technology, but science, technology, and production are linked together, and new technology and techniques enter the production process and become social material wealth. It is precisely because of this that applied research has very great significance in developing new technologies, developing new industries and improving existing technologies. The course of applied research can directly affect the time required for scientific results to be changed into social material wealth. In many cases, results are not publicly issued and also the focal point of research in various countries differs. Thus, we must proceed from national conditions and, through analysis and comparison, select a number of areas which will meet urgent demands in economic development and for which we have the conditions whereby we can achieve great benefits, as focal points for research. These could include information technology, biological engineering, new materials, remote sensing and telemetry technologies and so on. In these, we should centralize manpower and materials and strive to achieve breakthrough achievements as quickly as possible.

Following the development of the new technological revolution, at present in the world, applied research and basic research have become very close. This has tended to reduce the time needed for applied research. The history of scientific development has shown that many important breakthroughs in basic research have produced overall chain reactions, which prompted the speedy development of overall science and technology and of the social productive forces. For example, Einstein's theory of relativity and Rutherford's and Bohr's electronic model theories opened the road to uncovering the structure of the atomic nucleus and the laws of nuclear fission, and this led man into the age of nuclear energy and of electronic technology. Such examples are very common in the history of science. Thus, how we are to correctly handle the relationship between basic research, applied research and technological development deserves our serious attention.

It Is Necessary To Stress Basic Research Work Which Has Prospects for Application

If we are to have science proceeding in the forefront of production, then we must pay attention to the in-depth deployment of the above-mentioned three types of research. In respect of these three different types of research work, while we could divide them and talk about them separately, actually they are three links in an indivisible overall process (system) of scientific research. They are just like the links of a long chain and manifest the complete gradual movement of science from theoretical knowledge to the material production sphere. From basic research to applied research to technological development and finally to the production of products is like a "relay race." Without the first leg of basic research, the second leg of applied research and the third leg of developmental research (technological development), how can results be spread and how can we have the fourth leg of commodity production? Every leg is important. Of course, a metaphor is just a metaphor, but it does serve to describe the overall development of science and technology. The conditions of every country, and especially of all the developing countries, are different. Because the results of basic research have universal significance and are not secret, they can be obtained from the world's treasure-houses of knowledge, and therefore it is not necessary to do everything from the start. However, the relationship between the three above-mentioned types of research work show us that we must pay attention to the in-depth deployment of scientific research. If we are to guarantee the stamina of economic development, we need to rely on science and technology. Also, if we are to guarantee the stamina of science and technology we must strengthen applied research and pay attention to basic research.

Since the beginning of this century, scientific research has not only developed individual technologies, but has also widely developed various types of new technological fields, and even established completely new industries. For example, the atomic energy industry was produced by atomic nuclear physics, the electronic computer industry was produced by mathematical logic and electronics, the space technology industry was produced by fluid mechanics, materials sciences and electronics, the microelectronics industry was produced by solids physics, the laser technology industry was produced by quantum physics, and so on. In all of these, the roles of applied research and basic research are extremely obvious. At present, the length of the process by which basic research is turned into technology is becoming increasingly short. Many new technologies and new methods are being produced by scientists in their experimental laboratories. This is, for example, how surface physics research directly promoted the development of semiconductor technology, and molecular biological research directly led to results in genetic engineering. As basic research gets deeper, it becomes closer to applied research, which is of assistance in developing technologies.

In this respect, our nation has many successful experiences. By completely relying on our own strengths, in only 2 years and 8 months after successfully trial-producing our first atomic bomb, we successfully trial-produced a hydrogen bomb. Apart from the correct leadership of the party, the most important factor in this was the fact that our nation's scientists very early on had stressed research in theoretical physics and had the necessary scientific reserves. At the end of the 1950's and the beginning of the 1960's, not long after molecular biology had appeared in the world, our nation's scientists stressed this growing science and selected the direction and focal points of research. In 1965, they artificially synthesized bovine insulin, which prompted the synthesis, production, and use of polypeptide hormones. Following this, there was the synthesis of ribonucleic acid which created conditions for the establishment of the genetic engineering industry and for further research on many applications. The results gained from the basic research were outstanding. We should particularly stress that basic research work which has prospects for application (such as high-energy physics, radiation physics and radiation chemistry) and especially that research work which is suited to the characteristics of our nation's natural conditions and natural resources, as well as digesting and absorbing relevant basic theoretical questions of important imported technology. If we have no base, then even if people achieve successes in their research, it will be very difficult to apply the results widely. It is not that they will not be usable, but rather they will not be coordinated, and it will be difficult to avoid losing sight of some things while attending to others, which will result in a waste of money and manpower.

Even 30 years ago, Comrade Zhou Enlai said: "If there is not a certain amount of theoretical scientific research as a base, then technology will not be able to achieve fundamental progress or innovation." Basic theoretical research is related to the long-term interests of our scientific, technological, and economic development, and it is natural that the state should supply the funds necessary to support this research. In fact, the number of people and the amount of funds required by basic research are not great. At present in our country, the most it would involve would be about 5 percent of the investment in overall scientific research. Our nation must have its own necessary scientific resources. This is beyond question. Of course, we should also proceed from the actual situation and from capabilities and pay attention to moderation. The small number of "major science" research projects with high technical requirements and excessive fund consumption can be put off for future consideration.

As to the results of basic research, we should stress the investigation of their academic significance and scientific level. In respect to that work which does not have immediately obvious prospects for application, but which clearly has value in understanding natural phenomena and the laws of nature, it should be given all possible support. Actually, paying attention to and giving support to basic research does not just mean providing funds and financial support. The important thing is that there must be respect for the characteristics and patterns of such research. For example, it has a very concentrated nature and is notably exploratory. It takes quite a long time to achieve results and in general the success rate is fairly low. It is thus difficult to set a firm requirement for today or a specific task for tomorrow. Its function is only realized in the long term and in many cases, it can only be applied after quite a long period. It is precisely because of this that it is only a potential productive force and in general there are no problems of secrecy. We need to strengthen academic exchange and mutual inspiration so as to promote the deepening of research. These characteristics determine that basic research must have a relatively stable research direction and research environment. It requires accumulation and the continuity of the research work needs to be guaranteed. It cannot be subject to great rises and falls or arbitrary cuts and increases. Thus, we should provide the conditions where research can see stable, substantial development.

The "Decision" pointed out, in respect of basic research, that we should "gradually trial-implement a system for scientific funding." This was proposed after studying the above-mentioned characteristics and patterns. The state is to gradually increase allocations for scientific and technological work at a rate faster than the normal growth of financial income. Of this, a portion will be allocated in a unified way or at various levels, in accordance with estimates, for the purpose of setting up scientific foundations. These foundations will at the same time, be able to accept contributions from social groups and individuals, both Chinese and foreign. This will guarantee the stability of basic research funds in terms of overall expenditure. The scientific foundations should be geared toward society and should accept applications from all fields. After these applications have been discussed and appraised by experts in that field, foundations can give support to selected units or individuals whose research projects are of greatest significance and those which are most likely to have important results. This is a method which proceeds from the characteristic of giving quite concentrated attention to basic research, so as to reduce or avoid having the project selected result in failure. This will be of assistance in ensuring that the greatest possible amount of research work has due prospects. It can also lead to the opening of new technological fields and, while according with our nation's national resources, manpower and production conditions, will also be able to make contributions to the world's scientific and technological development. This funding system will not only give a greater degree of freedom and greater functional space to researchers in selecting their projects, setting down aims and controlling results, and reduce excessive administrative interference, but will also be able to truly strengthen the state and government's leadership and guidance, so that resources can be used where they are needed most.

Tertiary institutions and the Chinese Academy of Sciences shoulder important tasks in terms of basic research and applied research. Through establishing strict scientific research and responsibility systems in scientific research units, through having all sides cooperating closely, so that staff will be able to take on others' work, jointly establishing and using laboratories and training younger people, it will be possible to resolve the problem whereby there is "eating from the big pot" both between units and within units. In addition, it will be possible to closely combine training of skilled staff with the improvement of research.

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IDEALS AND PRACTICAL BENEFITS

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[Article by Zhang Xiaolin [1728 2556 2651]]

[Text] Communist ideals are based upon the law of social development. Communism is a scientific faith and it proceeds from and aims at the interests of the majority. Its ideals are not incompatible with practical material benefits which can be realized immediately. On the contrary, they aim to achieve material benefits for the masses of the laborers. Only communism can really achieve the greatest and most everlasting benefits.

In expounding the idea that socialism would finally replace capitalism and that it would ultimately evolve to communism, Marx and Engels attached much importance to people's material interests. They brought to light the fact that the prerequisite of human existence is the material production of the means of living such as clothing, food, shelter and transport. Furthermore, they pointed out: "What man strives for is all associated with their interests." ("Complete Works of Marx and Engels," Vol 1, p 82) It can be said that the basic element of communism is to deny the exploitation and suppression of the society of private ownership and the irrational phenomenon that laborers fail to obtain practical benefits. It aims to establish a socialism and communism of public ownership, to continuously improve the material and cultural life of the laborers, and to let them enjoy the practical benefits from material and intellectual culture. Since communism aims to achieve practical benefits for the great majority of the laborers, communism has become the common pursuit of the exploited and suppressed. It is greatly attractive and appealing. The practical benefits of communist ideals refer mainly to the material interests of the entire working class, which also include individual material interests of the working class. Neither socialism nor communism aims to abolish personal interests. They only modify the fundamental incompatibility between personal and state interests under private ownership and to combine them in a realistic and historical manner. As Stalin said: "Socialism cannot do away with personal interests. Only socialism can maximize the satisfaction of these personal interests." ("Selected Works of Stalin," Vol 2, p 355)

In actuality, during the strife for communist ideals, the masses of the laborers have been enjoying the practical benefits of material interests.

In China the movement which ultimately aims to realize communist ideals has begun since the period of new democratic revolution. After several decades of incessant strife, we have removed three great obstacles and established a new China. We have helped the working people get rid of their deplorable fate of being exploited and suppressed and paved a way to stability, prosperity and wealth. Can we not regard these as practical benefits? Now we are having a socialist society, which is the initial stage of communism. Under the guidance of the communist ideals and after 30-odd years of revolution and construction, all frontlines have scored remarkable achievements and the masses of the people have greatly improved their livelihood. Taking the 7 years since the 3d Plenary Session of the 11th CPC Central Committee as an example, the average income of rural residents, after eliminating the factor of price changes, has doubled. The average consumption level of urban residents has increased by 60 percent. With these facts, how can we say that communist ideals are void and impractical?

It is true that our productivity level is not high. There are still many future obstacles. Our material life cannot be improved very quickly. There are still many conflicts between personal interests and state or collective ones, partial or local interests and overall ones, and immediate interests and long-term ones. How to correctly deal with these conflicts is of utmost importance. A man with communist ideals should be fully aware of the fact that personal interests are subsidiary to party or public ones, partial or local interests to overall ones, and immediate interests to long-term ones. In sacrificing some of their personal practical benefits, people have, in return, gained more and greater practical benefits for the state and the masses of the people. "In sacrificing myself, I have brought felicity to 1 billion people," as said by Laoshan and Zheyinshan frontline warriors. These broad-minded and high-spirited people are willing to "sacrifice" their personal interests and even their lives for the well-being of the state and the people. Certainly, they are trusted by the party and respected by the people. To a party member, such an incomparable honor is more previous than any other material interests. Those who persist in personal or gang interests are not only contemptible but are bound to break the law. In the end, they will not get any practical benefits.

Man has to struggle and sacrifice if he wants to improve or develop his society. All along all gracious people have sacrificed their personal interests and even their lives for social development and their names are put down in history and are praised by later generations. The bourgeoisie is no exception. Marx says: "No matter how a capitalist society lacks heroism, its birth requires heroic act, self-sacrifice, terror, civil war and national struggle." ("Selected Works of Marx and Engels," Vol 1, p 604) Obviously, Marx was referring to the capitalism which was a newly born social system. Compared with feudalism, it was more advanced. Even the bourgeoisie, the representative of an advanced social system, is involved with "self-sacrifice" and "heroic act." Today, our comrades who strive to achieve communist ideals, when confronted with both personal and overall interests, should have a stronger spirit of self-sacrifice and despise the practice of adhering to personal practical benefits instead of overall ones.

Since the 3d Plenary Session of the 11th CPC Central Committee, the party has carried out the contract responsibility system, associated peasants' production with their material interests and has abolished the egalitarian system of "eating from the same big pot." It has given full play to peasants' enthusiasm for production. Agricultural production has greatly improved. On such a basis, the party has started reforming the economic structure of the urban areas. The masses of workers are encouraged to work through the combination of responsibilities, rights, and interests. The reform has been proved to be effective though it has just begun. The party's policy on economic reform is a socialist one. Productivity should be greatly developed to improve the standard of material and cultural life. People will then get more practical benefits and all of them will be wealthy. In giving full play to laborers' enthusiasm, wisdom and creativity and in aiming to make all people wealthy, the party has allowed a portion of the population and localities to become wealthy first. To become wealthy through working and abiding by the law is greatly encouraged by the party and the state. To use one's mental or physical labor to gain reasonable interests is highly respected by society. Some people have, however, misinterpreted such practical interests as individualism or selfish departmentalism. The party's policy is seriously distorted if personal or gang interests are treated as the most important thing. In initiating reforms, making improvements and carrying out the open policy, some people have abused their official rights to do business and make money, some have been abusive in granting bonuses or pushing up prices, some have been bent solely on profit. Some have been so obsessed with profits that they have broken the law. The pursuit of personal or gang interests at the expense of the state and the masses of people is incompatible with that of public interests under the guidance of communist ideals. It runs counter to socialist reforms. In making the state rich and its people wealthy, we have to be clear in boycotting and opposing all money-worshipping practices, bold in proclaiming communist ideals and advocating that personal interests should be subsidiary to party and public ones, partial or local interests to state or overall ones. As Comrade Deng Xiaoping said: "We ought to let our people, as well as our children, know that we have adhered to socialism and communism. All our policies aim to develop socialism and realize communism in the future."

In sum, on one hand, we have to confirm the communist ideals and, in struggling for the realization of communist ideals, advocate to make the state and its people wealthy; on the other hand, we are resolutely opposed to individualism or selfish departmentalism which takes personal or gang interests as the most important thing. Only by so doing can we be assured of a healthy and uninterrupted socialist modernization.

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WHY IS IT NECESSARY TO PAY ATTENTION TO INTELLECTUAL IMPORTS?

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 44-45

[Article by Yang Rupeng [2799 1172 7720]]

[Text] In carrying out socialist modernization, it is necessary to base on self-reliance, depending chiefly on developing our national intellectual resources, and producing our own specialized qualified people in various categories. At the same time, it is necessary to actively import foreign intelligence step by step in a planned way, and through various channels in diversified ways. Intelligence import is an important component part of China's policy of opening up to the outside world, and an important principle for promoting science, technology, and economic and social development, and accelerating the realization of socialist modernization. Intellectual imports involve many aspects. At present and in the near future, China's intellectual imports have two focuses: Inviting specialists from abroad, either foreigners or Overseas Chinese to take part in all items of construction on a short or a long-term basis, and sending students abroad to study advanced knowledge in science, technology, and management.

Importing intelligence is necessary in accelerating China's modernization. China is a developing socialist country. Compared with economically developed countries, China is still backward in its level of science and technology, its level of management, and operation, and lacking in knowledge and experience. Since the founding of the PRC, we have trained a contingent of science and technology personnel to a certain degree. A great many excellent intellectuals have come to the fore and made great contributions to the development of science, technology, and education. This we must fully affirm. However, compared with the demand of China's modernization, our science and technology contingent is not quite up to requirements either in quality or quantity. We have already imported some comparatively advanced equipment and technologies. However, because the import of intelligence has failed to materialize, some of the technical imports have not been well digested and absorbed, and they are not used to their full capacity. Regarding the whole situation of economic construction and the development of science and technology, a large number of key construction projects are under way, as well as a large number of technical transformation projects in key enterprises and important science and technological problems are being tackled. Some large-type technical imports are undergoing demonstration or negotiation. The medium and long-term plans for the national economy and social development and the Seventh 5-Year Plan are being drawn up. Reforms of the economic, science and technology, educational structures are being developed in an all-round way. All this demands a great number of specialized people in various categories. But China is short of qualified people in many specialities; it is in urgent need at present; and it is impossible to train enough specialized people within a short period of time. Under such circumstances, inviting specialists from abroad, both foreigners and Overseas Chinese, and sending people abroad to study and receive training, or to make study tours, while bringing into full play the role of China's existing science and technology personnel and specialized people in all categories, will, to a certain extent, help mend the insufficiency of our existing qualified people in quantity and quality. In recent years, many trades and enterprises have invited specialists, foreigners and Overseas Chinese, and strengthened cooperation with foreign engineers and technicians with rather good results in the development of new products, technical transformation, the construction of projects, the application of new techniques with old equipment and strengthening production management. The majority of people China has sent abroad to study or to make study tours, including those with self-sought funds, have the motherland in their hearts. They have worked very hard in their studies, and won honor for the motherland with excellent results. Experience has proved that importing intelligence can help improve the accuracy, purposefulness and economic results of technical imports by doing more things with less money. It has greatly shortened the time in our exploration of progress in many respects, and accelerated our digesting and absorbing foreign advanced science and technology and experiences in management. It is helpful to our training new qualified people, and is favorable in developing China's production technologies on a higher basis, strengthening our development capability with the initiative in our own hands, and shortening the gap between China and developed countries.

Not only do we have the need to import intelligence, but we have already acquired the conditions and possibilities for such imports. Since the 3d Plenary Session of the 11th CPC Central Committee, China has realized and consolidated the political situation of stability and unity; its economic construction has gone onto the track of healthy development; and the policy of opening up to the outside world has scored marked results. All this has created a good atmosphere and environment for our further imports of intelligence. At the same time, our modernization has won the concern and support of peoples in various countries of the world, and many Overseas Chinese and foreign specialists are willing to contribute their strength to China's construction. Some foreign retired scientists and technicians organizations are willing to provide technological services for developing countries. The United Nations has special funds to support personnel abroad in developing countries to render science and technological services. Many countries are willing to carry out wider exchanges and cooperation in development and policy research. All this is very favorable for international conditions.

The practice of importing foreign intelligence has been universally adopted by all countries in the modern age, and has become an effective measure in promoting science, technology, economic and social development. Under the condition of the socialization, specialization and cooperation of production and the rapid progress of science and technology, technology has become more and more a commodity, and information has become more and more a kind of resource. Exchanges in technology, information and talented people take up a greater and greater proportion with each passing day and play a larger and larger role in international exchanges. Experience has proved that importing intelligence plays a more important role than the import of equipment and foreign capital. Because of the differences in natural conditions, as well as in the degree of development in economics, science, education and culture, each country has its own advantages and disadvantages in intellectual resources. It is impossible for any country to possess all new technologies. Neither is it possible for it to take the lead in all fields of science, education and culture, nor to possess all the talented people it needs in all categories of science, technology and culture. The rate of progress of modern production technologies is very fast, and the competition of products very fierce. The competition of products is, in essence, the competition of talented people. Under such circumstances, worldwide exchanges in qualified people and importing intelligence have become a necessary condition and objective requirement for the development of all countries. The Soviet Union employed more than 6,800 foreign specialists for its heavy industrial sector in 1932 alone. Around World War II, the United States had a great number of German scientists. Between 1952 and 1975, the United States hired more than 200,000 foreign intellectuals. Sending people to study abroad is more or less a universal practice. At present, not only are many developing countries sending people abroad to study in large numbers, but developed countries have also attached importance to this work.

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WHY IS IT IMPERATIVE TO GRADUALLY EFFECT TWO CHANGES IN EXPORT MIX?

Beijing RED FLAG in Chinese No 2, 16 Jan 86 pp 45-46

[Article by Li Weicheng [2621 4850 1004]]

[Text] The purpose of developing foreign trade is to increase exports and enable our commodities to earn more foreign exchange. The key to earning more foreign exchange is to change the commodity composition of our exports. These are precisely the two changes that we must gradually realize and that have been put forward by the CPC Central Committee in its proposal on the Seventh 5-Year Plan: One is the change from mainly exporting primary products of the nature of raw materials to mainly exporting manufactured goods; and the other is the change from mainly exporting extensively processed manufactured goods to mainly exporting intensively processed manufactured goods.

Over the past 30 and more years, as our production developed and as we continued to improve our scientific and technological level, there has already been great change in the commodity composition of our exports. In 1953, primary products accounted for 79.4 percent of our total volume of export commodities, but by the first half of 1985, this percentage dropped to 52.2 percent. At the same time, the proportion of industrial manufactured goods in the total volume of our exports rose from 20.6 percent to 47.8 percent. Compared with the practice of mainly exporting agricultural and sideline products in the 1950's and 1960's, there have indeed been clear changes. However, in our exports of primary goods, oil, coal, food and other products of the nature of raw materials still account for over 43 percent now; while in our exports of manufactured goods, light and textile industrial products account for 35 percent and heavy and chemical industrial products account for only 12.8 percent. In other words, at present, our country's exports of primary products continue to be mainly the products of the nature of raw materials; while the exports of manufactured goods continue to be mainly labor-intensive products. The commodity composition of exports as a whole is of low level. If we fail to change this situation, our country's foreign trade will continue to be in an unfavorable condition for a long time.

At present, the world is faced with a new technological revolution and a large number of rising industrial sectors are vigorously developing. There has also been a new change in production composition. Production is developing toward the orientation of producing products with low consumption of materials and energy. This shows that the demand for raw materials and fuel is relatively decreasing in the international market. From a long-term point of view, the previous advantages of developing countries in having natural resources and cheap labor are gradually disappearing. Correspondingly, the position of some traditional commodities of export will gradually decline and the disparity between the prices of primary products and manufactured products, in particular products of high technology will continue to widen. Moreover, as Western capitalist countries' economic development slows down, during the past few years, there has been a declining trend in the prices of both primary and manufactured goods in international trade. In particular, because of the huge deficit in U.S. trade with Western European countries, there has been a growing trend of trade protectionism. The scope of restricted commodities in the world market has continued to enlarge and has covered textiles, agricultural and sideline products, steel, iron, and automobiles. For example, the United States has intensified its restriction to the imports of textiles from China and other countries. Finally, from the point of view of the interests of developing countries themselves, processing their raw materials and primary products and changing their commodity composition can add more value to their commodities and create more wealth for their countries. By so doing, they can not only increase their income of foreign exchange, but also fully tap their domestic production potential, heighten the production technological level of their workers, and provide more job opportunities for society. In short, from a long-term point of view, in order to continue to expand export trade, it is imperative to gradually realize the change from mainly exporting primary products of the nature of raw materials to mainly exporting manufactured goods and the change from mainly exporting extensively processed manufactured goods to exporting intensively processed manufactured goods.

Is it possible to realize the two changes? The answer is in the affirmative. First, our country has already basically established a relatively integrated industrial system, has a number of industrial enterprises with relatively satisfactory equipment and relatively high processing and production technology. This has laid the material foundation for the production of manufactured goods for export with fine quality and full variety. As our urban economic structural reform deepens, the state will allow our enterprises greater decisionmaking power so that the enterprises provided with necessary conditions may carry out import and export trade on their own. This will heighten the enterprises' initiative in conducting technological transformation and urge them to show concern for and take part in the commodity competition in the international market and produce more and better marketable commodities. Second, the success in rural economic structural reform has heightened the commodity rate of our agricultural products. The implementation of the principle of "trade-industry-agriculture" in our coastal areas and the conscientious development of agricultural and sideline product and food processing industries there will enable us to develop a number of marketable quality commodities of well-known brand for our exports. Third, over the past few years, our country has scored certain achievements in utilizing foreign capital and importing advanced technology and equipment. In our special economic zones and open coastal cities, through establishing joint ventures with joint Chinese and foreign capital or cooperation and foreign capital enterprises with relative advanced technology that mainly produce commodities for export, we will turn these zones and cities into export bases that produce high-technology products.

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DO NOT REGARD PUBLICATION AS A READY SOURCE OF MONEY

Beijing RED FLAG in Chinese No 2, 16 Jan 86 p 47

[Article by Hu Jing [5170 7231]]

[Text] The publishing business has been in crisis recently. I will replace "crisis" by "depression" if it makes some comrades feel uneasy.

Causes for the current depression are many. The book prices have gone up owing to the increase of paper and printing costs. There are too many publishing houses (more than 410 around the country, excluding subsidiary ones) which are characterized by poor macro-management. They publish books in an unchecked manner. Readers cannot get the books they want while useless books are piled up. The publication tax is heavy and the volume of investment is insignificant. As a result, the publishing houses have no money to publish books. Neither do the distributors have money to place their orders. Some publishing houses have turned to publishing books of vulgar tastes in a bid to get out of their financial predicament. As a result, "bad money has defeated good money" and it depreciates after it has flooded the market. Furthermore, it has given rise to a vicious circle. There are other causes as well.

The above-mentioned causes are only superficial ones. In my opinion, the core of the matter is how we are going to view the publishing business.

Editing and publishing have existed ever since mankind has come to the age of recorded history, though they were initially undertaken by historiographers, oracles and musicians. Apart from unearthed artifacts, art treasure and ancient architecture, civilizations were chiefly preserved by means of publications such as bamboo slips, inscribed wooden tablets, cloth-made books, bronze articles, stone inscriptions and, in particular, the tremendous amount of printed books. The publishing work is by no means insignificant as the past publications have given us a wide range of knowledge and inspired us to move forward.

A nation with no civilization is a stupid one. We have experienced 10 years of severe cultural destruction and have suffered a lot. We will make an inexcusable mistake if we still take no heed of or pay very little attention to our civilization. The publishing business is one of the major aspects of cultural revival and socialist cultural construction. There are many proper and sacred things we should do.

Some people, however, take the publishing business as a means of making money. Some even take it as a means of making a big fortune or lining their pockets with public funds or other people's money. This is indeed deplorable.

Is it that our cultural level is so high that we need not improve it or publish any more books? Is it that the only thing we should do is to make money? No, in fact. Our civilization is still very backward. As civilization and economy supplement each other, it is difficult to have an advanced economy while we do not have an advanced civilization.

Publishing houses are units producing intellectual products. They are different from industrial or mining enterprises in that they undertake to construct our intellectual civilization. They should place social benefits above everything. If they persist in making money and publish a great heap of useless and bad books which have wasted a lot of paper and failed to help purify human souls and have made the entire nation sustain heavy cultural losses, they have done something which money cannot remedy. The cultural work has to be supported. Leading comrades of the central authorities have reiterated in the past few years that ideological, cultural, educational and health departments should aim at social benefits instead of taking publication as a means of accumulating capital for the state. However, the actual situation has changed very little because they lack a far-sighted, comprehensive and strategic view.

It is true that publishing houses have to take heed of economic results and to maintain a favorable balance. It is not difficult for them to use their surplus to publish more books and develop the publishing business. The problem is that there is a small number of comrades who know nothing about social benefits, nor do they know how to combine these two types of benefits in an organic manner. This is the fundamental cause for the depression in the publishing business.

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VIBRATIONS OF A WRITER'S CONSCIENCE--READING 'BUS ARIA'

Beijing RED FLAG in Chinese No 2, 16 Jan 86 p 48

[Article by Shu Zhan [5289 1455]; published in RENMIN WENXUE, December 1985]

[Text] Liu Xinwu's narrative novel "Bus Aria" is a sonata on the current complicated and sensitive conflicts in the age of reform and a rondo on what people have feared, liked, worried about, and hoped for since the practice of "eating from the same big pot" was smashed. It is, of course, uncommon and splendid in our literary circles during the past few years that such a short piece of literary work has succeeded in striking a sympathetic chord among the masses of readers in the capital (in fact, not only the readers in the capital), crossing the barriers which have existed among people for many years, considerably regulating the unbalanced social psychology and achieving an intimate relationship between the writer and his readers.

The readers' enthusiastic response is the highest reward a writer can get for his strong sense of social responsibility. It also serves as a demand on him. Anyone who shares the people's worries, courageously faces reality, and sounds out the true feelings of the readers on a national level will certainly gain popularity. Readers are, in fact, our "gods." No writers or readers who are indifferent to our reform are commendable.

Xinwu's political awareness, courage, and resourcefulness in observing life and boldness in facing poignant and complicated conflicts are the fundamental causes for the success of his work. He finished his "Bus Aria" in mid-October 1985. What followed immediately was a period during which his work was tested and verified through actual life. Toward the end of November the situation in Beijing's public transport worsened and in the beginning of December when the capital turned cold, it continued to worsen. The chaos reached its apex on 7 December 1985--the "great snow," a solar term according to the lunar calendar. It troubled the leading comrades of the central authorities and the leaders of Beijing municipality also shared the feeling that the problem was very serious.

God played a small joke on (no, it is more appropriate to say God did mischief to) millions of Beijing commuters and the capital transport management. According to weather records, the temperature in Beijing during the "great snow" last year was the lowest in the past 70 years. Consequently, 259 diesel buses failed to start because of coagulated oil. There were 137 buses in the third depot which failed to operate. Here the heavens did not cooperate.

Now the earth is not cooperating either. There are 80 crossroads and sections of roads in Beijing which are always congested. The number of vehicles using the roads in Beijing greatly exceeds the road capacity. There were 250,000 motor vehicles in 1983 and 300,000 in 1984. The number of bicycles increased by 500,000 in 1 year and has reached 5.4 million. It is a vicious circle as the worse the traffic, the more the people want to buy bicycles, and the greater the number of bicycles, the more congested the motor vehicles and the heavier the traffic. How many families will have to be moved out if roads were to be widened and overpasses be repaired or built? This involves the question of the financial strength of the state.

What was extremely awful was the disharmony among the people. A series of new conditions and problems have emerged in the course of reform as a result of the conflicts among drivers, conductors, and commuters. Only after we find out the truth can we comprehend it and only after we comprehend it can we make allowances for it. Xinwu's brilliance can be seen from the fact that he has keenly found out why people are more discontented and frustrated than before even though their livelihood has been generally improved. He has analyzed the matter rationally. There are two "relationships" which reformers should theoretically and practically resolve, namely, should the situation be enlivened or should numerous restrictions be imposed? Should the people's work and duties be linked with their personal interests or should the incentives, which are the driving force of the reform be withdrawn? Only after we straighten out these two "relationships" can we basically understand why even a minor clash could trigger shocking remarks such as "what a world this is."

Objective factors such as insufficient financial resources and coagulated oil are not to be neglected. But the main problem still lies in the subjective factors. Leadership is the crux of the matter. Who were the people who, by means of their special relationships, had been transferred out of the company to drive hired cars? How many of them were sons or brothers of the leaders of public transport companies? Why was the rumor about unfair wages going around? Why was it not reported to the municipal leaders when frost-proof diesel oil did not reach the capital on schedule? Will it not be of great help to the future transport reform if the above-mentioned questions are clarified while the party is being rectified? After last year's lesson, has a scientific public transport management system which suits the capital's demands been adopted? It is not a cliche to say that leadership is the heart of the matter. The mayor apologized to the people and the comrades in charge of municipal affairs examined the subjective causes. The situation basically improved in mid-December. Now the commuters are more content and they no longer complain so much.

I sincerely hope that there will be more and more wonderful literary works comparable to Xinwu's, which is touching and speedy in reflecting life. Furthermore, I hope that editors of literary periodicals will follow the example of Wang Meng, chief editor of RENMIN WENXUE, who is resourceful and keen on providing space for good stories. The friendship and understanding between editors and writers are a major impetus for creative writing. If the impetus is intensified, wonderful works on the reform will surely emerge.

Let the readers feel the vibrations of Chinese writers' conscience.

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AN EXCELLENT WORK WHICH SYSTEMATICALLY EXPOUNDS ON MARX' THEORY ON SOCIAL REPRODUCTION--REVIEWING 'MARX' THEORY ON SOCIAL REPRODUCTION'

Beijing RED FLAG in Chinese No 2, 16 Jan 86 inside back cover

[Book review by Li Xuezeng [2621 1331 2582]]

[Text] The book "Marx' Theory on Social Reproduction" (published by Renmin Chubanshe) by Comrade Luo Jirong [5012 1323 2837] is a great achievement, resulting from the many years the author was engaged in education, and is a summing up of his concentrated research on Marx' theory on social reproduction and the discussions he engaged in with other scholars on this question. It is also a book which is quite systematic and has theoretical depth, and is suitable for use in education and for people in their own studies.

When it is said that the book is quite systematic, this statement is based on the following: 1) The structure of the book is a fairly complete system. It first discusses the targets and methods of research into Marxist theory on social reproduction. It then goes on to describe the inherited bourgeois classical economics which was criticized by this theory and its significance in the establishment of the theory. On this basis, the book describes in a formulated way, the theoretical system formed by the six general principles of Marx' theory on social reproduction as summed up by the author. Then, he separately discusses these general principles and the categories, patterns, and tenets they include. This is the focal point in the book. After talking about the principles, he smoothly concludes by discussing Lenin's development of Marx' theory on social reproduction. 2) Although in the past people have provided summaries of the system of Marx' theory on social reproduction and what it includes, no one has given as overall a view of the system as has this book. It uses the six general principles as the outline and then proceeds to detail a series of categories and patterns. Its order of arrangement is as follows: First, it proceeds from the result of social reproduction--the total products of society--and then goes on to the preconditions and general process of social reproduction. Following this, it describes the forms and types of social reproduction, and then separately describes the principles of the two aspects of social reproduction--simple reproduction and expanded reproduction. Finally it looks independently at the forms of national income and the principles of its distribution.

There are some comrades who have completely different ideas as to the consistency and theoretical correctness of the logic of arranging things in this way. However, it must be said that this method is quite complete and systematic.

When we say that this book has a certain theoretical depth, it is because in many places it has quite trail-blazing and penetrating thoughts. For example, when people talk about the suitability of Marx' theory of social reproduction for different societies, most restrict themselves to saying that the reason this theory is also suited to socialist society is that because socialist society, like capitalist society, has socialized large-scale production. However, the author of this book does not do this. He clearly points out that many of the tenets in these basic principles are universally suited to any type of social form. This universal suitability "is determined by the objective demands of the development of the productive forces in the relations of production." That is "it is determined by the material conditions of reproduction, not by the social form." Also, when people read "Das Kapital" they often see Marx using great amounts of ratios, limits, degrees, and such concepts, which gives rise in some people's minds to quantity-fixing ideas. But no one has done what the author of this book has done in putting forward, prominently, the idea that "economic limits" were Marx' main research method. As "economic limits" are critical points where changes in economic variables lead to qualitative changes, strengthening research into fixing the nature and levels of these limits clearly has great significance to our carrying out of national economic regulation and control.

This book has another strong point. It provides clear explanations of complex questions and provides earnest guidance. When readers get to a certain place and find that they have difficulties, it is there that they will find that the book provides relevant questions and answers. In respect of many disputed questions, the book not only introduces the various different viewpoints, but also provides the author's independent opinion. This also provides the readers with enlightenment.

Like any other science book, apart from having its good points this book has its weak points. That is, it is quite weak in terms of relating this theory to the practice of our nation's social reproduction.

This book received the 1984 Sun Yefang [1327 0396 2455] Prize for Economic Science.

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China Report

RED FLAG

No. 3, 1 February 1986

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CHINA REPORT

RED FLAG

No. 3, 1 February 1986

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ERRATUM: In JPRS-CRF-86-004 of 13 February 1986, No 1 of this series, in article entitled "Lin Zexu's Historical Contributions," on page 52, line 22 should read: History is, in the end, fair. Two hundred years after the birth of Lin Zexu....

CONSOLIDATE, DIGEST, REPLENISH, AND IMPROVE

Beijing RED FLAG in Chinese No 3, 1 Feb 86 p 2

["Forum"]

[Text] This year marks the beginning of China's Seventh 5-Year Plan. The period of the Seventh 5-Year Plan is one of key importance to the comprehensive reform of the economic, scientific and technological, and education administrative structure. Throughout this period, we must put the reform in the first place. The general guideline for the reform of the economic structure this year is: "consolidation, digestion, replenishment, and improvement." To put it more precisely, we must, on the one hand, consolidate, digest, replenish, and improve the reformatory measures that have been introduced, promote what is beneficial and abolish what is harmful, and thus gradually perfect a full range of systems; on the other hand, we must be well prepared for making greater progress in the reform in the next year and the year after next, and thus lay the foundation for the implementation of the comprehensive reform of the economic structure during the whole period of the Seventh 5-Year Plan.

In order to steadfastly carry the reform of the economic structure through to the end, at the moment we need to sum up experience, add to our achievements, and overcome our shortcomings. The reform of the economic structure, which began in the rural areas, has made major breakthroughs. The first step of the rural reform centered around the system of contracted responsibility on a household basis with remuneration linked to output. It helped to gradually straighten out the relations between the peasants and collective economic organizations and has thus effectively brought the peasants' initiative into play. Starting from the readjustment of the rural production structure, the second step of the rural reform has helped to annul the system of unified procurement quota apportioned by the state, lifted the restrictions imposed on the prices of agricultural and sideline products, and thus made preliminary success in straightening out the relations between the peasants and the state. This year we must further improve the system of planned procurement of agricultural and sideline products on a contract basis and implement such policies as "subsidizing agriculture with industry," and thus carry out the rural reform in depth. The urban reform also has two phases, namely, the experimental and exploratory phase from the 3d Plenary Session of the 11th CPC Central Committee to the 3d Plenary Session of the 12th CPC Central

Committee, and the phase of overall reform since the 3d Plenary Session of the 12th CPC Central Committee. Last year was the first year in which we witnessed the initial success of the overall reform in urban areas. We took a bold step in the reform of the wage and pricing systems and made smooth progress. As far as all these introduced reformatory measures are concerned, it takes time for the state to sum up experience and readjust the policies; for enterprises to shift to a new track, to change their orientation, and to fulfill the process of digestion; and for the masses to deepen their understanding and gradually keep up with the new situation. Therefore, a period of time is definitely necessary for consolidating and perfecting the results of the reform.

We must comprehensively and correctly understand the guideline of "consolidation, digestion, replenishment, and improvement." Consolidation means to consolidate the achievements of the reform, uphold the direction of reform, and lay a foundation for the in-depth reform. Digestion means to solve new problems emerging in the course of the reform in accordance with the state's financial resources, the conditions of enterprises, and the masses' endurance, and thus ensure that all work is geared to the needs of the reform. Replenishment means to supplement those imperfect and unsound links and aspects of the reform, and enable them to form a more complete and harmonious system. Improvement means to improve the method of macroeconomic control, the status quo of supply and demand, and the scale and structure of investment in fixed assets. We must not only bring the expanded demand under control but must also improve supply and further promote production. In order to ensure that those introduced reformatory measures fully play their roles and to promote what is beneficial and abolish what is harmful, we surely must continue those reforms which have been proved effective, and thus strive for success. Meanwhile, we must resolutely correct malpractices and eliminate deviation in the course of the reform, strictly enforcing orders and prohibitions. By and large, the guideline of consolidation, digestion, replenishment, and improvement is an interrelated organic whole. We absolutely must avoid placing undue emphasis on a certain aspect while overlooking other aspects, so as to prevent one-sidedness in understanding and practice.

It must be emphasized that, in implementing the principle of consolidation, digestion, replenishment, and improvement this year, we definitely do not mean to suspend the reform but to further the reform in depth. At the same time, we will continue to vigorously step up those reforms which will help to invigorate the economy without causing a loss of macroeconomic control; for example, we will continue to vigorously develop the lateral ties between enterprises and put out the program of selling houses as commodities in cities and that of running grass-roots financial organizations as enterprises. As long as we unswervingly, cautiously, and properly expedite the reform, we are bound to win the overall victory of the reform in the Seventh 5-Year Plan period.

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BE GOOD AT USING TYPICAL CASES TO CONDUCT EDUCATION IN PARTY SPIRIT

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 3-4

[Article by Wang Heshou [3769 7729 1108]]

[Text] It has been 7 years since the 3d Plenary Session of the 11th CPC Central Committee reestablished the Central Discipline Inspection Commission. Over the past 7 years, we have investigated and handled tens of thousands of cases of lawbreaking and violation of discipline. Although a small number of these cases were not properly handled and the conclusions of some cases may not have been completely correct, in general, our investigation and handling of cases has been prudent, fair, and in conformity with principle. However, some problems remain in our work, and we must take notice of them. There are even some serious mistakes and shortcomings. Here, we should particularly mention an important lesson that we should draw from past experience. Generally and clearly speaking, we only did half of our work in the past, and did not do, or only did very little of, the other half. Speaking more concretely, we have only fulfilled the first half of our task and have not fulfilled the second half.

What is the second half of our work? Why should we now emphasize the second half of our work?

One of the tasks for the Discipline Inspection Commission is to ensure the implementation of the party Constitution and to maintain and enforce party discipline in light of the party's regulations and rules. We have done a great deal of work in this regard. Of course, work in this regard is our direct task and is important. However, the task of the Discipline Inspection Commission is not merely to maintain and enforce party discipline, and the Discipline Inspection Commission is not merely an organ for handling cases of violation of discipline. Another important task for this organ is to help party committees rectify party style, conduct education in party spirit, and inspect the implementation of the party's line, principles, and policies. When the Central Discipline Inspection Commission was reestablished in 1979, Comrade Chen Yun clearly pointed out that the central work of the Central Discipline Inspection Commission is to ensure good party style. Whether our party style is good and whether our party members and cadres can correctly carry out the party's policies and decisions will mainly depend on whether party members have a good party spirit. If they have good party spirit, they will resolutely carry out the party's line, principles, and policies, will rarely violate party discipline, and will maintain good party style. If many party members do not have party spirit, a large number of cases of violation of discipline and lawbreaking will emerge, and our party style will not be good. This point is proved by many facts in the large number of cases we have handled.

The fundamental reason for party members' involvement in unhealthy tendencies is the fact that their ideological style is not good and their party spirit is not strong. Without enhancing the ideological quality of our party members and strengthening their party spirit, we will not be able to maintain party discipline and improve party style. It is certainly important to check the unhealthy tendencies case by case. We have yet to do more work in this regard and still have to make great efforts to handle various major cases. When handling these cases, we must have courage to overcome difficulties, spare nobody's sensibilities, and show no softheartedness, so as to promote the fundamental improvement of party style. However, if we examine our work in the handling of typical cases, we may find deficiencies in our work. After investigating cases in which some party members abuse their powers in pursuit of private gains and in violation of party discipline, we form conclusions, mete out punishment to the erring party members, expel some of them from the party, and propose administrative disciplinary measures and legal measures against some of them. We used to think that is all the Discipline Inspection Commission should do and did not use these typical cases to conduct education in party spirit among party members and cadres. In fact, we should use the facts in the cases to conduct propaganda and education among party members so that they can realize that unlawful practice comes from erroneous ideology and can see more clearly what is erroneous ideology. Many cases of violation of discipline and lawbreaking, particularly some major cases, such as the automobile speculation case on Hainan Island, the quack medicine case in Jinjiang, and some senior cadres' violation of discipline, vividly and concretely show that erroneous ideology is the reason and condition for the continual appearance of all kinds of unhealthy tendencies. Therefore, these people who violate state laws and party and administrative discipline, and their cases, provide vivid negative examples which may serve as a lesson for all party members and cadres in straightening out their ideological style and strengthening their party spirit. If we can make good use of these typical materials to conduct convincing education among party members and cadres, we will achieve better results than do our lectures on party spirit principles in the classrooms. If we can do this work consistently, then our party members will more concretely realize what is the party spirit that party members should have; what is practice in line with party spirit; what is an action in violation of party spirit; what it is a party member should do; what it is a party member should not do; what action is in line with the interests of the party and the people; what action is in violation of the interests of the party and the people; and how a party member should correctly handle his relations with the party and with the people.

Our discipline inspection department possesses rich and vivid materials, but we have not made full use of these materials to conduct vivid education in party spirit, party discipline, and party style, and have not achieved the result of educating a large number of people in dealing with a case. This should be regarded as a major defect in our past work and should be taken as an important lesson. Although we have handled a large number of cases, we have only fulfilled half our task. We have not begun to seriously perform the second half of our task, which is, in a certain sense, more important. The disciplinary measures against party members who violate party discipline may educate these erring party members and influence a small number of people who are close to the erring party members. However, our main purpose is to enhance the ideological consciousness of a large number of party members and cadres through the handling of the cases in which party discipline and party spirit principles are violated. The purpose of taking disciplinary measures against an erring party member is to educate a large number of party members. Only when we are determined to consistently make use of various negative examples to conduct education in party spirit, party discipline, and party style among party members can we really raise the level of our discipline inspection work. Of course, this is by no means an easy task. In the past 7 years, it is not that we did not think of, or did not mention this matter. Rather, we did think of and mention it, but we did not put it into practice, or did the job poorly. The reason is that this is not an easy job. After cases are handled, we should analyze them and summarize the lessons that should be drawn from them in terms of ideology. Then, convincing articles which combine theory with fact should be written from the angle of party spirit, party discipline, and party style. These articles will function as vivid teaching materials for helping party members enhance their ideological consciousness and strengthen their party spirit. This is not an easy task, but it is a correct principle. We must do this. When dealing with important cases, whether they are related to political and ideological problems or to specific lawbreaking activities, we should properly fulfill the second half of the work. This will greatly promote the improvement of party style.

If we say that our discipline inspection department has now fulfilled only half of its task, it sounds a bit too harsh, and some comrades may not be glad to accept such a comment. However, we should be more modest and serious in approaching this important point. All cadres in the discipline inspection department should pay attention to this issue, and the responsible comrades of all provincial, municipal, and regional party committees and all ministries and state commissions in charge of discipline inspection work should also give thought to this matter and consider how to properly solve this issue.

One more point related to this matter is that when dealing with all sorts of cases, especially major cases, the discipline inspection department may encounter some common social problems which exist in various places and departments at the same time. So our discipline inspection department at all levels should properly handle the relations between individual cases and common social problems and should concentrate on some typical and major cases. By taking effective measures to deal with the social problems reflected in the cases, we may at the same time help solve these problems existing generally in society. This is also the purpose of our work. Therefore, after a case is wound up, we still have to do a lot of work, which constitutes the second half of our task, as we mentioned above.

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WE MUST HAVE CONFIDENCE IN ACHIEVING A FUNDAMENTAL IMPROVEMENT IN PARTY WORK STYLE

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[Article by Wang Youxin [3769 0642 2450]]

[Text] What is the present situation in the party's work style? Will it be possible to achieve a fundamental improvement in the work styles of the party? And what should we do to achieve it? To answer these questions of the utmost concern to the entire party and the people of the whole country, we must first have a correct understanding of the question of the party's work style. Before we achieve unity of thinking, we can hardly rectify the party's style of work with one heart and one mind.

The correct approach to the question of the party's work style calls on us to adopt an overall point of view. Otherwise, we will have our view of the important overshadowed by the trivial. In having a correct understanding of the work styles of our party, we must realize that the strategic task, which was set at the 12th CPC National Congress, of creating a new situation in all fields of socialist modernization, a series of correct policies concerning our economic construction, and the general task and goal set by the party for the new historical period have taken root in the hearts of the people and are arousing the initiative and enthusiasm of the whole party and the people of all our nationalities. Through party rectification, the central ministries and committees and party and government organizations of provinces, municipalities, and autonomous regions have set to rights the ideas guiding their work and maintained political and ideology unity with the party Central Committee. Now they are conscientiously carrying out the party's line, principles, and policies and concentrating their efforts on building the four modernizations. The party also solved some problems left over by history, reversed the verdicts of large numbers of unjust, false and wrong cases and implemented the party's policy toward intellectuals and some other policies. All this has further normalized inner-party political life and the political life of our country. At present, not only have the Central Committee, its Political Bureau and the Secretariat of the party proved able to follow principles of democratic centralism and collective leadership based on harmonious unity, but party organizations in many localities have markedly improved their political life. In the light of the principles governing the "four transformations" for the ranks of the cadres, large numbers of energetic young and middle-aged cadres who possess both political integrity and ability were promoted to various leading posts. This has resulted in good cooperation between old and new cadres and the succession of the new to the old in leading bodies at various levels, thus making them full of vigor and vitality. In rectifying unhealthy tendencies, we have exposed a number of problems and openly criticized them. The malpractices in allotment of dwellings and in recruitment of workers, students and cadres and transfer of domicile from peasants to nonpeasants, from rural areas to urban areas and from workers to cadres, which prevailed in the past few years and disturbed relations between the party and the masses, have been basically checked. Cases of malfeasance were dealt with according to the party code and administrative discipline and criminals were dealt with according to state law. Meanwhile, people are happy to see the emergence of a number of advanced collectives and individuals from various fronts. In the Laoshan defensive battle, many party members sacrificed their lives for the motherland when they charged and shattered enemy positions. In helping the people tide over a natural disaster in Liaoning, leading cadres at various levels and party members fought in the forefront of rescue and relief work.

All this shows that the party's work styles of seeking truth from facts, integrating theory with reality and proceeding in everything from actual conditions have undergone gradual restoration and development in the new historical period. In establishing close ties with the masses, our party has done a great deal of work and achieved remarkable results. Our party also has the courage to make criticism and self-criticism. We point out all these facts on purpose to show that we are now able to achieve a fundamental improvement of the work styles of our party. This is of great importance to our confidence in improving party conduct and to our efforts to stem unhealthy tendencies with one idea and one will.

However, it should be clearly noted that there are still some problems in the party style of work, some of which we cannot afford to ignore. Especially since the second half of 1984, some new malpractices have appeared under the new situation. These new malpractices are marked with new features. For example, apart from the malpractices of establishing underhand connections and securing advantages through pull or influence for the sake of personal gain, many leading organs and leaders conducted evil practices under the signboard of reform and under the pretext of working for the well-being of their organizations. This is an expression of the erroneous idea of abusing power for personal gain under the new situation. Such new malpractices are more harmful because many are conducted by leading organs and leading cadres.

The broad masses of the people are very discontented and disgusted with these unsound practices. In fighting against the unhealthy tendencies, our hearts beat in harmony with those of the masses. Under the leadership of the party Central Committee, the Central Discipline Inspection Commission and local CPC committees have adopted effective measures against the current serious misdeeds and violations of state law and the discipline code. The Central Discipline Inspection Commission circulated a notice exposing some typical cases such as the case of reselling cars for profit in Hainan and the case of producing fake medicines in Jinjiang. This has had a positive influence on rectifying the party's style of work and augmenting education in party spirit. After the National Conference of Party Delegates last September, the party Central Committee Secretariat has made further arrangements for checking unhealthy practices. One of the major decisive measures was to call on the central party and government organizations and the Beijing municipal organizations to take the lead in improving the party's work style and to stress that the party Central Committee Secretariat would make sustained efforts to help the central organizations to rectify their styles of work. At meetings held in the Great Hall of the People in the first half of January, attended by 8,000 cadres from the central party and government offices, the party Central Committee Secretariat called on party members and cadres of the central party, government, and military organizations to set examples for the whole nation in morale and work style so as to promote the fundamental improvement of the party's work style and social conduct in general. The correct leadership and determination of the party Central Committee in stemming unhealthy tendencies, the support of the broad masses of the people for the central decisions and their discontents and criticism of malpractices are important factors which give us more confidence in improving party conduct, and provide an important guarantee for striving for the fundamental improvement of the work styles of the party with one heart and one mind.

Some time ago, some of our leading organizations and cadres themselves failed to set an example in rectifying the unhealthy tendencies. They dared not touch the problem and they uttered many empty words but actually did little. This was one of the main reasons leading to the spread of unhealthy tendencies and discontent among the masses. The CPC Central Committee has now called on party members and cadres, and especially leading cadres to be strict with themselves and to serve the people wholeheartedly. It took concrete measures to launch the drive to improve party conduct first in the central organizations and the Beijing municipal institutions and clearly pointed out that cases involving leading organizations and cadres should be most seriously dealt with. Under these circumstances, party members and cadres will certainly achieve unity in thinking and action according to the demands set by the party Central Committee for improving the party's work style. They will consciously set strict demands on themselves and act in line with the party's principles and policies and in accordance with the party's demands. We should be confident about this problem because:

1. The majority of our party members and cadres will do as the party says and have a strong wish to make China strong and prosperous. Being aware of their grave responsibilities in reform and construction, they are willing to do their bit and even sacrifice their lives for our economic development. It is a fact that many young party members have not been strictly tempered in party spirit and a small number of old party members and cadres lack party spirit or are lax in the sense of party spirit, but they will make efforts to enhance their political consciousness or to resolutely correct their errors as long as they are enlightened on gains and losses. As a result, they can subject their personal interests to the interests of the state and the people, give up partial and local interests for the sake of the whole, and subject immediate interests to the long-term interests.

2. Our party has pointed out the manifestations of unhealthy practices and drawn a clear line of demarcation in applying policies in checking unhealthy tendencies. Document No 57 issued by the general office of the CPC Central Committee and of the State Council last year is actually an important weapon for us to enhance our political consciousness to fight against all unhealthy trends and evil practices and check new malpractices. According to a fact-finding survey from various localities, only a few really cherished evil designs, fished in troubled waters and became degenerate and most people committed mistakes only because they could not keep a cool head under the new situation. Some comrades did not have a correct understanding of how to properly implement the central principles and policies regarding reform and opening to the outside world because they failed to conduct in-depth investigation and study. They could not draw a clear line of demarcation between what they should do and what they should not, between which way is correct and which way is wrong and between foreign advanced methods of management they ought to learn and bourgeois decadence they ought to resist. Therefore, we should not make only charges and complaints on the problems arising in our work. The history of our party tells us that whenever there is a major turn in the party's history, the whole party and particularly all cadres should concentrate on political studies so as to achieve unity of thinking. Our current reforms and our drive to open up to the world are entirely new to us. We are experimenting with different measures for making progress. It is understandable that some problems or even mistakes arose in our work because some comrades fell short of the demands of the times for a short while. However, the party Central Committee has further explained these problems and made them clear. Meanwhile, it not only held mobilization meetings to call on cadres to serve the people wholeheartedly and carry out education in party spirit and knowledge about the party, but it also proclaimed a series of stipulations in explicit terms. All this will help us keep a cool head, distinguish clearly between right and wrong, and increase our ability to resist the attack of decadent bourgeois ideology so as to avoid mistakes in work as much as possible and step up the improvement of the work styles of the party.

3. We are under the supervision of the broad masses of the people and are subject to strict party discipline. For personal gain, some people resorted to any and all means to earn money disregarding the interests of the state and the people; they did dishonest things with no regard to state law and party discipline and they even took risks with their lives when falling under the temptation of money. To fish for advantages and make a fortune, some did not scruple to barter away principles and had no consideration of personal dignity and party spirit. And some people bought over officials in charge of important departments to pave the way for their evil activities, with the result that some departments conducting discipline supervision and inspection and those defending law and maintaining public order lost their functions. All those engaged in these serious malpractices, or even crimes, could not escape being supervised and denounced by the people and being punished by the party code and state law. On behalf of the party Central Committee, Comrade Hu Yaobang recently declared solemnly: "In accordance with our party code, all honest and upright comrades inside and outside the party have the right to report accurately to the party Central Committee

serious cases of malfeasance and violations of state law and party discipline involving those who are responsible for party organizations at various levels, or even at the central level." Therefore, those who turn a deaf ear to advice, trust to luck and continue to engage in unhealthy practices will not be able to hide their evil doings. Ours is a serious party. Our party discipline permits no corruption and none of its members and cadres are allowed to engage in unhealthy practices. In accordance with the party's principles, its discipline inspection departments should rigidly examine all unhealthy practices within the party, conduct serious education and criticism and deal with all cases in earnest. Those who deliberately break the law and pervert justice for bribes, ignoring repeated advice, should be strictly dealt with and when their cases are ascertained, prompt decisions should be made without hesitation so as to enforce party discipline. Not only should we lay bare all unhealthy practices, but we should also deal with all serious cases of violating the law and discipline vigorously and speedily. Our party is absolutely able to eliminate corruptive phenomena.

Leading cadres and veteran party members and cadres must play a particularly important role in improving party conduct. During the years of revolutionary wars, it was they who charged at the head of their men and who were the first to bear hardships and to charge and shatter enemy positions and their exemplary deeds won over the trust and support of the people and cadres to the party. However, it should be noted that some leading cadres and veteran party members and cadres today fail to set an example in observing discipline and the law, or even support and cover up violations of the law and discipline or crimes of their children and relatives only because they lack party spirit or are lax in the sense of party spirit, and they think little of the cause of the party and the people but think much of their personal affairs and their families. All this can hardly add luster to the party but denigrates the prestige of the party. However, experience teaches us that, provided our party members, cadres, and particularly those working in the central leading organizations inherit and develop the party's glorious traditions, respond to the party's call with deeds, resolutely act in accordance with the party Constitution and criterion and in line with the guidelines set by the party Central Committee for improving party conduct, and set an example in building the four modernizations and carrying out the reforms; provided leading organs and discipline inspection departments at various levels do what they say in accordance with the central guidelines, uphold principles, execute orders and prohibitions, enforce the law strictly and punish those who ought to be punished; provided we do all this, we shall be able to create very favorable conditions for a fundamental improvement of the work styles of the party. Judging by the experience in improving the party's style of work in the past few years, we have come to understand that wherever leading cadres and veteran party members and cadres are not honest and upright in their ways and abuse power for personal gain, the party's work style and social conduct in general are certainly not good and unhealthy practices run wild, and that wherever leading cadres and veteran party members and cadres are honest and upright in their ways and have integrity and work always in the interests of the public, the party's style of work is certainly good and the people are much more confident about the attainment of a fundamental improvement of the work styles of the party. We firmly believe that, provided the whole party works with one heart and one mind and achieves unity in thinking and action, we shall be able to effect a basic turn for the better in the work styles of the party.

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LISTEN TO BOTH SIDES, BE OPEN-MINDED, AND CARRY OUT SELF-REMOLDING--LEARNING FROM COMRADE ZHOU ENLAI'S DIALECTICAL MATERIALIST STYLE OF THOUGHT

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[Article by Li Qin [7812 0530]]

[Text] Exactly 10 years have passed since Comrade Zhou Enlai left us. With the passage of time, we are missing him more and more. This great Marxist and loyal servant of the people performed immortal feats for the Chinese revolution and construction by giving his all until his heart stopped beating. With his theoretical accomplishments and style of thought, he left us precious spiritual wealth, of which his dialectical materialist thinking on leadership, and in particular his fine work style of listening to both sides, being open-minded, and stressing self-remolding, is a treasure.

Zhou Enlai's work style of listening to both sides is quite noteworthy and, moreover, multifaceted and multilayered.

First, he was good at heeding the various opinions of people of all quarters and strata of society and of democratic parties. He held that: If we listen exclusively to the opinions of party comrades, we will be ignorant and commit the mistake of one-sidedness. If we frequently heed the opinions of people of all quarters, this will help us enrich our thinking and correctly formulate principles and policies, as well as specific policy decisions. In the early days after the founding of the PRC, the Government Administration Council held a meeting once a week and quite a few nonparty personages were invited to the meetings to discuss problems and exchange views. Zhou Enlai praised such meetings as being different from meetings exclusively attended by party members, where one individual made a speech while others at best made some additional points. He said: In running a large country like ours, we must stress heeding the opinions of people of all quarters. He criticized some comrades for their reluctance to come into contact with nonparty personages and their preference for living and working together with party members alone because they had a common language. Consequently, their thinking became rigid. In 1956, with the basic completion of the socialist transformation of the private ownership of the means of production, he discussed the question of developing democracy and heeding differing opinions more frequently and incisively. When he conveyed Comrade Mao Zedong's report "10 Major Relationships" to the ministries and commissions of the State Council, in dealing with the issue of the long coexistence between democratic parties and the Communist Party, he said: Now that there are different party groupings, there are divergent opinions. Our major premise is to practice socialism. Under this premise, divergent solutions to specific problems are allowed. If the Communist Party favors homogeneous bodies, allows only the existence of a single view, and heeds exclusively the opinions of a single section of people, it will cease to develop. Only when one is good at listening to different opinions can one distinguish clearly between right and wrong and between good and bad. It was at that same meeting that Zhou Enlai advised Comrade Shi Liang, who had applied for membership of the Communist Party, to "stay with the China Democratic League all your life." He said: We can hear the opinions of our friends before they join the Communist Party, but we will hear nothing from them after they become party members. This means that we will have less opportunity to hear differing opinions. If elder sister Shi joined the Communist Party, would you not be the same as elder sisters Deng, Qian, and Cai? Many comrades can play a much greater role as nonparty personages than as Communist Party members. Maintaining this role is of benefit to both the Communist Party and society. He urged the party cadres present at the meeting to heed and to seek or discover divergent opinions.

Second, he attached importance to negative and critical views. In the early days after the founding of the PRC, he pointed out: A democratic atmosphere should be created within the party and the government so that our comrades have the courage to make criticisms of leading cadres. If they find it difficult to criticize a leading cadre face to face, they may write down their criticisms in a note and leave it on the latter's desk. We must have the courage to point out the shortcomings of leading cadres and stimulate them to overcome their weaknesses, although it is a painful process for them. If a leading cadre discourages his subordinates from making criticisms of him, he is bound to fall as time goes by. He hoped other people would "embarrass" him by making critical comments about him. He said that it would be fine if his subordinates rallied together to send him notes containing critical comments. He proposed that conditions be created to encourage people to air their own views, and that efforts be made to develop democracy in various ways, to put on a rival show, and to "find fault." It will not work to sing the same tune or to demand uniformity in doing something. A rival show should be encouraged. Putting on a rival show means approaching a problem from two angles. He maintained that we should find ways of expanding democracy in terms of systems and criticize our shortcomings and mistakes. For example, delegates of the people and members of the CPPCC should be encouraged to directly inspect the work of local authorities together with the people, to have contacts with the people from an angle different from that of the government, to go into the realities of life, and "to find fault." He held that: Even if some people commit errors or adopt a bourgeois viewpoint in approaching problems, we may discover some problems that we have not discovered previously from their views.

In his brilliant speeches delivered at the forum on literature and art work and the meeting on the creation of feature films, which were held in 1961, he analyzed the harmfulness of letting a single person have the final say. He pointed out: This work style prevailing in literature and art circles should be changed. He and the other senior leading cadres in charge of literature and art work should take the lead in doing so. If people are not allowed to doubt or discuss our proposals or suggestions, such things as study and discussion will be out of the question. Since people are allowed to discuss, to make suggestions on, and to submit amendments to the documents adopted by working conferences of the central authorities, why can my personal views not be discussed and revised? He earnestly urged people to give their critical comments on his speeches. However, he would refuse to read their comments bearing words such as "complete approval," "total support," and "correct instructions," because it would be meaningless to read them. In 1962, he further put forth the assertion that communists should have esteemed friends or friends who did not hesitate to give forthright admonition, advocating that every communist should have several esteemed friends who dared to air different views and criticize his shortcomings. If he was accustomed to such practice, his esteemed friends would become friends who did not hesitate to remonstrate. He praised Li Shimin--Emperor Tai Zong of the Tang Dynasty--for making the Tang Dynasty prosperous by adopting Wei Zheng's dissenting views. When seeing Wei Zheng approaching him, Li Shimin felt as if he were sitting on a bed of nails, but after listening to the latter's opinions, he felt as if he had taken a dose of medicine. Some of our leaders very often like and even appreciate flattery and dislike critical earnest advice, and others even retaliate against those who make criticisms against them. These statements and actions of Zhou Enlai's give communists and leaders much food for thought and are worth their self-questioning.

Third, debates were allowed and encouraged. Marx said: "Truth is established through debate." ("Collection of Letters of Marx and Engels," Vol 1, p 567) Thoroughgoing materialists are fearless. Only those who are theoretically weak fear debate, intimidating people by abusing their power rather than convincing people by reason and seeking truth through debate. Zhou Enlai repeatedly stressed the truth of "the more truth is debated, the clearer it becomes." He said: In seeking truth, debate should be encouraged and arbitrariness discarded. If what one says is right and what others say is wrong, is there still any need to debate? Even if our views are mostly correct, still we should heed and assimilate others' opinions. In this way we can make ever greater progress ideologically. In 1951, in his speech at the study class for the teachers of the institutions of higher learning in Beijing and Tianjin, he said: Some people say that they will doubt and observe any new things before making their judgment. I think they should be allowed to do so. Doubting does not necessarily mean antagonism. Since the more truth is debated, the clearer it becomes, we fear no doubts. His speech touched the hearts of the teachers, who had raised some questions concerning the Communist Party because of their lack of an adequate understanding of the party, and thus dispelled their doubts. In 1956 he further considered the problem from the point of view of its related specific rules and regulations. He advocated that debate should be allowed at the people's congress. He pointed out: The government should answer the proposals submitted by delegates of the people. If they are correctly answered, the people will feel satisfied, but if not, the people are encouraged to debate. We must not learn from the systems of capitalist countries because they are systems of dictatorship by the exploiting classes. However, it is advisable to learn from some forms and methods of Western parliaments or congresses. This will help us discover problems from different angles. While taking charge of the study of major problems, he always encouraged debate and never casually drew conclusions by believing the statements of only one party, still less imposed his own views on others by using his power and influence. For instance, with regard to the building of the Sanmenxia key project to harness the Huang He, Zhou Enlai conducted investigations and study in various ways, listened to available different views raised by related personnel on the economic results of the project and the relationship between the upper and the lower reaches of the river, called an on-the-spot meeting to discuss problems, and, through repeated discussion and debate, finally adopted the "two holes, four tubes" proposition. According to the proposition, at the left side of the dam two sluiceways would be cut to discharge sand and four of the eight water diversion steel tubes for generating electricity would be used as sluiceways to discharge sand. Although the proposition could not solve the problem fundamentally, compared with other propositions submitted at that time, it was fairly good.

Zhou Enlai's work style of listening to both sides was closely related to his spirit of being extremely open-minded. Modesty was the internal factor that enabled him to listen to both sides. An arrogant, self-satisfied, and self-styled leader will find it very difficult to listen to differing opinions, particularly critical comments. As a man who held a high position with enormous power in his hands, and who enjoyed high prestige in the whole party and among the people throughout the nation, Zhou Enlai was quite modest and never considered himself always in the right and superior to others. He never felt content with the achievements he had made in his work and never avoided his shortcomings and errors. He was kind and sincere in getting along with people and treated people as equals. He modestly learned from others' strong points to make up his own deficiencies, just like a sponge that absorbs water, rather than an iron plate which no water can penetrate.

Zhou Enlai maintained that those who were arrogant and self-satisfied and who considered themselves leaders would end in failure. Those who treated people as equals were good servants and not bureaucrats. He resolutely opposed the practice of regarding personal statements as "instructions" and worshipping them. He said he most feared hearing the remark "please give us instructions." If what a leader says is considered to be instructions, how can one get along well with such a practice? He criticized some comrades who assumed the air of a leader and ordered people about when others asked them for instructions. They were the worst bureaucrats. While making reports or speeches, more often than not, he used his personal experience to enlighten others rather than lecturing others by putting on the air of a leader who was always in the right. Therefore, his remarks could touch the hearts of the listeners.

What is more admirable is that he never felt content with the contributions he had made, never avoided his shortcomings, and still never put the blame on others. Just after liberation, he once told some university teachers that he had made many mistakes and suffered setbacks. It would have been impossible for a high-ranking party leading cadre to courageously admit that he had made mistakes in front of nonparty personages at a time when the Communist Party had just taken power if he had not had breadth of vision and a modest work style. He dealt with his mistakes in the party more frequently. He always took the initiative in undertaking responsibility for the problems cropping up in the work of the party and the government. This is already widely known to all. Comrade Zhou Enlai worked his heart out for the revolution and the people. As a matter of fact, his errors are not comparable with his achievements. Even so, he continuously practiced self-criticism. This was the natural indication of his being extremely open-minded. Zhou Enlai was often quoted as saying: "Be cautious and conscientious." This reflects his spirit of "never becoming arrogant and negligent in the slightest degree" in regard to the cause of revolution and construction and also indicates that his modest work style was based on his being highly responsible toward the cause of the party and the people rather than being exclusively a matter of personal moral accomplishment.

Zhou Enlai attached particular importance to ideological remolding. He held that: The aim of ideological remolding is to foster a Marxist world outlook and outlook on life and to correctly understand the objective world so that we can make no, or fewer, mistakes in our work. Therefore, from the day he joins the Communist Party, every party member should have this understanding: Be ready to keep on remolding yourself as long as you live. He urged senior leading cadres to take the lead in this regard and regarded ideological remolding as being as necessary as breathing. Were they to do otherwise, their ideology would be corrupted. With regard to the protracted nature of ideological remolding, he contended: In terms of people's understanding, objective things are constantly changing. Our understanding should improve with changes in objective reality and not remain at its original level or unchanged. The process of an old understanding moving toward a new one is also a process of ideological remolding. He said: Things develop infinitely and, therefore, there is no limit to ideological remolding. With ideological remolding, we can keep abreast of the times and forge ahead constantly rather than falling behind ideologically. If they neglect and slacken their efforts to remold their ideology, even the comrades who have belonged to ranks of revolution for years are bound to fall behind. He went on to say: The influence of the old society and the force of habit will corrupt you like germs. Therefore, we are always in the process of remolding. We must remold ourselves as long as we live, for the process knows no limits. This illustrates that ideological remolding, as meant by Zhou Enlai, is to keep on studying and making progress. This is entirely different from the practice pursued by Lin Biao and the "gang of four" under which cadres were attacked and persecuted under the pretext of "remolding oneself." Zhou Enlai stressed reliance on one's willingness in carrying out ideological remolding. The fundamental causes for the change and development of things lie in the things themselves. Internal causes are the basis for change and external causes the condition for change. External causes become operative through internal causes. So it is with ideological remolding. Ideological remolding depends chiefly on people's willingness, and the rate, extent, and depth of ideological remolding hinges on the degree of people's willingness. He had a strong aversion to those who thought there was no need at all to remold themselves and who were keen on remolding others. He said: There is no one on earth born specially to remold others. Those who consider themselves leaders and born to remold others should in fact be remolded first. It is necessary to appeal loudly to this category of people: "Please remold yourself first!"

Zhou Enlai's dialectical materialist style of thought is admirable. We should earnestly study his style of thought, which can be considered a model for the whole party, and further rectify party work style so that our party will prosper further.

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THE SITUATION AND TASKS FACING FINANCIAL WORK

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[Article by Wang Bingqian [3769 0014 0051]; capitalized passages published in boldface]

[Text]

I

The present economic situation is very good. The task of bringing about a fundamental turn for the better in our financial and economic situation has been basically fulfilled, and the national economy has begun to show a new situation of continuous, stable, and well-coordinated development. In the aspect of financial affairs, we have gradually reversed the downward tendency of state revenue and have made up the huge financial deficits. State revenue has begun to increase since 1982 and has steadily grown in the past few years. It is estimated that state revenue in 1985 increased by about 20 percent over the previous year and marked the highest growth rate in the Sixth 5-Year Plan period. The structure of financial expenditure has also become more rational, thus guaranteeing the needs of key construction projects, development of intellectual resources and reforms in all fields. Between 1979 and 1985, the state has allocated large sums of money to settle the problems left over by history in the people's livelihood and in urban construction, and this has played a major role in improving the people's livelihood. A financial balance was achieved in the whole period of the Sixth 5-Year Plan. All these achievements did not come easily. They were the results of implementing the series of principles and policies laid down by the party central leadership since the 3d Plenary Session of the 11th CPC Central Committee and of relying on the joint efforts of the people of all nationalities throughout the country.

The financial situation is determined by the economic situation. The improvement of the financial situation can be ascribed to many reasons:

First, through economic readjustments and structural reforms, a benign economic environment has been basically established in our country. The main characteristics of a good economic environment are rational ratios between major economic sectors and steady and sustained economic growth at an appropriate rate. At present, the ratios between agriculture, light industry, and heavy industry in our country are quite rational, with each of these three major sectors accounting for one-third of the total social output value. This state of affairs is in line with the present level of development in our country. In addition, the ratio between accumulation and consumption is also markedly improved. Although the proportion of accumulation to the national income in 1985 was still a bit too high, the average accumulation rate in the 5 years of the Sixth 5-Year Plan was about 29 percent. The development of our national economy has entered a new stage characterized by a rational structure and full of vigor and vitality. The establishment of a fine economic environment is not only a basic condition for advancing our economic structural reforms, but also a basic condition for ensuring a stable and balanced financial state.

Second, with the growth of our economic strength, the state has also acquired a more solid financial foundation. In recent years, under the premise of maintaining the dominant position of the economy under whole-people ownership in the national economy, the state has adopted some policies and financial measures to encourage and support the development of various economic undertakings which are not owned by the whole people. Thus, the collective economy in both the cities and the countryside is growing rapidly; and the individual economy is also developing to an appropriate degree. This has also enabled us to expand our sources of financial income. Now, our revenue comes from various economic forms, and our funds are also distributed through a variety of channels. It is estimated that 1985 revenue reached 177 billion yuan, or more than 72 percent more than that in 1980. There is also a total amount of more than 140 billion yuan outside the scope of the state budget. The sum of these two amounts is more than 320 billion yuan (this figure unavoidably includes some overlapping calculations, but it may show us the general situation), which is more than double the figure in 1980. This situation shows that great development has been achieved compared with other periods since the founding of the PRC. Now, we have access to rich sources of revenue, and have ample room to use our funds. This represents a prominent characteristic of our finances in the new period of socialist modernization construction.

Third, some unstable factors in our economic life have been gradually brought under control or have been solved. The excessive growth in industrial production appearing in the fourth quarter of 1984 and the problems of excessive expansion of the scale of capital investment, the issuance of credit funds, and consumption funds and excessive rises in some prices have all been gradually controlled and resolved since the party central leadership and the State Council adopted a series of rational regulatory and adjustment measures. The growth rate of industrial production has been brought down to a reasonable level. The growth rate of industrial output value in the first half of 1985 was 23 percent; it began to fall in July and fell to 17.4 percent in August, to 14.5 percent in September, and to about 10 percent in the fourth quarter. The scale of investment in capital construction, which was once expanded excessively, has been brought under control, and the excessive growth of credit funds and consumption funds has also been checked. The general index of retail prices in markets throughout the country was maintained at around the planned level of 9 percent over the whole year. We believe that with the development of our work, the situation will continue to improve. Strengthening macroeconomic control in the above-mentioned fields will play a great role in ensuring the steady and coordinated development of the national economy as a whole and in ensuring a financial balance.

Fourth, we have intensified our economic and financial management and have strictly enforced our financial discipline. We carried out three rounds of general tax and finance examinations in 1981, 1982, and 1983, and discovered illegally withheld money totaling 12.6 billion yuan, with 5.6 billion yuan being repaid to the state treasury. In 1985, the State Council again organized a nationwide general tax, finance, and price inspection, which discovered some 8 billion yuan of illegally withheld money and recovered 3 billion yuan. The general inspection is now still in progress and will be completed around the Spring Festival.

While affirming the improvement in the state's economic and financial situation, we should also notice the difficulties and problems still existing at present. First, the situation in which the management and technological levels of many enterprises are still low and their economic results remain poor has not been fundamentally changed. In 1985, the cost of comparable products in the state-owned industrial enterprises was higher than in 1984. Losses in various enterprises were still serious, and losses in some enterprises exceeded the annual quota. Although the changes in prices, interest rates, and exchange rates affected production costs, the main reason for the increase in operating losses was poor management. Second, we have not strictly and effectively controlled expenditure, and local self-raised capital investment exceeded the limit prescribed by the annual plan. Although we have made great efforts to cut down on administrative expenses and on the purchasing power of nonindividual consumers, and have achieved results in this regard, we still failed to attain the retrenchment target laid down by the State Council. There are still many loopholes in revenue and much waste in expenditure. Although tax and finance inspections were carried out, cases of violation of financial discipline still continue to appear in various localities and departments. Poor information gathering, loose management, and ineffective supervision remain prominent problems in our financial work. Finally, in the arrangement and implementation of economic and financial plans, the contradiction between the demand for construction funds and the supply of funds remains unsettled. Especially when we are in a better financial situation, this contradiction may sometimes become even more prominent, and we may find it more difficult to distribute funds. Therefore, we must always keep sober minds, and must not be unrealistically optimistic and relax our efforts because the economic and financial situation has become better. We should continuously analyze the situation, sum up experience, and make advances so as to strive for greater improvement in our financial conditions this year.

II

According to the principles and tasks specified by the proposal for the Seventh 5-Year Plan approved by the National Conference of Party Delegates, and according to the arrangement of dividing the Seventh 5-Year Plan period into two stages, our financial work in 1986 should continue to follow the principle of maintaining the financial balance, should consolidate, digest, add to, and improve the adopted reform measures, and should be focused on improving economic results so as to lay a good foundation for fulfilling the financial tasks of the Seventh 5-Year Plan.

TIGHTLY GRASP THE WORK OF INCREASING INCOME AND RETRENCHING EXPENDITURE, CONTINUE TO MAINTAIN THE FINANCIAL BALANCE. The state's financial balance, credit balance, materials balance, and foreign exchange balance, as well as the overall balance, are basic conditions for ensuring the coordination of various economic ratios, the stability of economic life, and the smooth development of the structural reforms. Among the four balances mentioned above, the financial balance is the most important one and holds the leading position. It provides conditions for the maintenance of the credit balance and the materials balance. The maintenance of the foreign exchange balance also needs financial support from the state. Therefore, we should always adhere to the principle of maintaining the financial balance. The key to balancing revenue and expenditure in 1986 is to strictly control the level of financial expenditure and to ensure a steady increase in financial income. To achieve this purpose, we should, first of all, make great efforts to ensure that revenue can be collected from various sources and should seriously handle tax collection work and enterprise financial work. At present, some localities, departments, enterprises, and institutions do not follow the established regulations and financial discipline, and do not strictly enforce the relevant laws and regulations. This reflects many loopholes in our financial management. We must seriously sum up experience, establish and perfect various systems, and strengthen supervision and management. Henceforth, enterprises and institutions, as well as financial and taxation departments, should strictly enforce the tax laws and regulations and handle affairs according to law and policies, and should resolutely check various lawbreaking and discipline-violating actions of evading taxes. Party and government leading comrades at all levels should support the work of the taxation departments, should overcome the one-sided viewpoint of "applying a policy of benevolence" by reducing taxes in a reckless way, and should really understand laws, abide by laws, and act according to laws. Of course, it is still necessary to support things that are favorable to the enlivening of the economy and to encourage the development of new and advanced things in light of the state policies and tax laws; and it is also necessary to help some units and undertakings which are in a difficult position by reducing their taxes or exempting them, but this must first be approved by the relevant authorities through the procedures specified by the tax laws.

The poor management and economic results in some enterprises are related to a certain degree to our loose supervision over the enterprises' financial work. Since the adoption of the measure of substituting tax payment for profit delivery, enterprise financial work is not only an important component part of enterprise management, which ensures that the enterprise can improve its operation, raise economic efficiency, tap more financial resources, and increase income, but also a basic aspect of financial and tax management. So financial departments at all levels should pay close attention to financial work in various enterprises and should make great efforts to strengthen leadership over this work. Apart from looking after all enterprises' financial management, they should also select some positive and negative typical cases to make analysis in order to push the enterprises to improve their business management. Moreover, it is necessary to establish and perfect the economic accounting system so as to markedly raise the level of enterprise financial management.

While taking measures to ensure revenue, we should continue to strictly control and economize on expenditure. In the next few years, our expenditure must be in line with our capacity, and should first meet the needs of key construction projects, of economic reforms, and of the development of intellectual resources. If necessary, agricultural expenditure should be increased. However, expenditure in all other fields must be brought under control. Of course, expenditure in priority fields should also be economized on and appropriations should be used efficiently. In the field of capital construction, investments in the basic industries and in energy, transport, communications, and raw materials facilities should be guaranteed, but the general scale of capital construction must be strictly controlled in light of plans. Cultural, educational, scientific, and public health expenditure should be arranged in light of the two decisions on reforming the educational system and the scientific research system. The increased rate of expenditure in these fields can be higher than the growth rate of constant revenue. In recent years, state expenditure on agriculture increased slowly, and funds directly used for supporting agricultural production even decreased. At present, the household output contract responsibility system has been adopted, consolidated, and developed throughout the countryside and has achieved remarkable economic results. Under these circumstances, the state will increase investment in the comprehensive projects of harnessing and utilizing major rivers, and governments at and below the provincial level also need to increase expenditure on aiding agriculture, and their funds should be mainly used to improve basic conditions for agricultural production and for promoting agricultural technologies. We should continue to do a good job in reducing administrative expenses and in reducing the purchasing power of social groups. We will assign targets in this regard in 1986 in order to more effectively control and manage the use of funds. We uphold the principle of building the country through diligence and frugality, oppose extravagance and waste, and always try to do more with less expenditure.

In order to maintain the financial balance of the whole country, financial departments at all levels should implement the principle of making ends meet each year and striving for a slight surplus. They should not have deficit budgets. In 1985, because local revenues exceeded the budget targets, many localities had financial surpluses. They should keep these surpluses as their financial reserves and should not use them before they are sure that they have made ends meet in the previous year. It is dangerous to use the surplus according to the estimates early in the year, and such a practice also violates the principles of the state's budget management.

The financial balance is closely related to the credit balance, the materials balance, and the foreign exchange balance. The financial departments should cooperate with other departments in maintaining the comprehensive balance between all kinds of funds. In particular, we should strengthen the management of the funds outside the state budget, and should seriously examine the "small tills" of various units. To manage the use of funds outside the state budget, we may adopt such methods as putting this money in special savings accounts, subjecting it to planned management and to bank supervision over its use, which must be approved by the financial departments, while leaving the ownership of the money unchanged. The money in the special savings accounts cannot be used to operate development companies or to invest in capital construction. The money in the "small tills" should be examined regularly. The money legally retained by the units can continue to be held by these units, but illegally withheld money should be turned over to the state treasury. The financial departments should cooperate closely with the banks in establishing the necessary management system.

CONTINUE TO PERFECT THE FINANCIAL AND TAXATION SYSTEM AND MAKE NECESSARY PREPARATIONS FOR FURTHER REFORMS IN THE PERIOD OF THE SEVENTH 5-YEAR PLAN. In the first 2 years, the stress of the reforms should continue to be placed on ensuring stable economic development and strengthening and perfecting the indirect control system in the macroeconomic field so as to make up for some deficiencies. Therefore, financial reforms this year should mainly serve the purpose of consolidating, digesting, adding to, and improving the reform measures which have been adopted. Concretely speaking, we should improve the tax system which has been substituted for the previous profit delivery system and should perfect the industrial and commercial tax system. At the same time, we will begin to draw up some necessary reform measures in order to prepare for further reform of the financial and taxation system in the last 3 years of the Seventh 5-Year Plan.

In order to further invigorate large and medium-sized enterprises and gradually develop their self-transforming capacity in a planned way, the State Council has decided to reduce the regulatory taxes imposed on the large and medium-sized backbone enterprises which are shouldering heavy tasks for technological transformation and export-oriented production and which have made great contributions to the state, and to gradually raise the depreciation rate of the fixed assets in these enterprises in a planned way. The work in these two aspects should be properly coordinated and arranged. Consideration should be given to the specific conditions of various enterprises and to the financial capacity of the state. In particular, the additional money left in the hands of the enterprises as a result of the tax reduction should be genuinely used to renew equipment and transform technologies and must not be used to conduct capital construction or to issue bonuses and other welfare allowances. It is necessary to continue to perfect the industrial and commercial tax system and to give full play to the tax lever in economic regulation. It is also necessary to improve and perfect the tax law related to foreign economic activities.

In the field of the financial management system, in 1986 we will continue to implement the system of "dividing taxes into different categories, auditing income and expenditure, and assigning quotas to various levels." At the same time, we will seriously build a sound financial management structure at the township level and will particularly do a good job in handling the agricultural financial work and rural tax collection work.

This will help promote township development and promote rural economic prosperity.

MAKE MAJOR BREAKTHROUGHS IN RAISING ECONOMIC EFFICIENCY BY TAKING REALISTIC MEASURES AND GIVING PRIORITY TO KEY POINTS. Correctly handling the relationship between economic results and the growth rate by making the growth rate subject to good economic results and putting the enhancement of economic efficiency in a prominent position in economic work is a constant principle laid down by the central authorities. Our financial work, whether in the field of ensuring the financial balance or in the field of inspecting the reform results in the financial and tax systems, should also serve the purpose of promoting the enhancement of economic efficiency. The enhancement of economic efficiency will rely mainly on the efforts of all departments and units, especially grass-roots units, but the financial and tax departments at all levels should also do a good job in this regard. Things in this regard are rather complicated and the work is rather difficult. However, as long as we unify our understanding and coordinate our work, link our financial work with actual conditions, cooperate with relevant departments, give priority to some key points, and work in a down-to-earth manner, our efforts will certainly be fruitful.

Poor product quality, high expenditure on materials, long construction periods, and low economic efficiency are long-standing problems in our production and construction. They can also be said to be "chronic and stubborn diseases." If we fail to effect a radical cure of these diseases, we will not be able to make full use of our resources to create more wealth by expending less labor and materials, and will not be able to satisfy needs in the people's livelihood, in production and construction in all fields, and in the efforts to expand exports. Comrade Zhao Ziyang pointed out: The key to the successful conducting of production and construction in the period of the Seventh 5-Year Plan is to make great efforts to raise the economic efficiency of the enterprises and actively build up their capacity for earning foreign exchange through increasing exports. This is correct. The potential in this regard is quite great. So long as we are more conscious and dynamic in our work, we will find many new ways and methods. We must shift the focus of our attention to the improvement of economic results and must make greater efforts in this regard. We should actively support and promote the measures which will help improve product quality, lower costs, shorten construction periods, and raise economic efficiency. We should study the effective ways to use our financial resources. Whether financial resources are used properly is a crucial matter concerning the development of production and construction and concerning the opening of sources of revenue and the concentration of funds. We must try to achieve a satisfactory economic efficiency in both the productive and nonproductive fields in arranging both income and expenditure. At the same time, our work should be focused on some key points. We should lay stress on industrial and commercial enterprises and on capital construction departments. The financial departments in all provinces, municipalities, and autonomous regions should conduct investigations and studies in one or two cities and counties and in one or two industries so as to sum up the experience in raising economic efficiency and to spread successful experience.

In order to maintain the financial balance, promote reforms in various fields, and raise economic efficiency, we should also strengthen the work of gathering and transferring information and base our financial work on scientific and correct forecasting. Information work is now a weak link in our financial and taxation departments. For many years in the past, the poor state of information work led to many errors in policy decisions and in the implementation of policies. We should seriously draw lessons from this experience. At present, the financial and taxation departments are still ill-informed and feedback is very slow. The work of synthesizing and analyzing information is not effective and efficient either, and should be further improved. We are now prepared to set up a system for transferring information and for reporting. We will also make use of some modern means such as computers and will increase the use of telex to process and manage information. In the information work, we should not merely collect statistics, we should strengthen the analysis of the data and the study of policies. Leading cadres of the financial and taxation departments should change the previous work style of engrossing themselves in routine matters, and should be determined to spare time to make investigations and studies in the forefront of financial and tax work and to seriously resolve major issues so as to take the initiative in reforms and in financial work.

III

The objective of our efforts is to build a modern socialist country with a high degree of civilization and democracy. The four basic principles must be carried out in all of our work. We should not only use our policies and financial resources to guarantee the building of socialist material and spiritual civilization, but should also require all cadres in the financial and taxation departments to adhere to the principles of socialist spiritual civilization and to abide by the professional ethics of financial and taxation work.

At present, the financial and taxation departments and the construction bank are facing an important and urgent task. That is, they should simultaneously build the "two civilizations" and attach great importance to the building of socialist spiritual civilization by strengthening political and ideological work and intensifying the study of Marxist theory. Socialist finance must be guided by Marxist theory. When handling the work of accumulating and distributing funds, the financial departments' work is directly and closely related to the implementation of the party's line, principles, and policies. At the same time, the financial departments and financial cadres are also executors of laws and regulations. They themselves must set a good example in abiding by party discipline and state laws. All this shows that our financial work has salient political and policy characteristics. We must pay special attention to the ideological and organizational construction in the financial departments. In recent years, we have handled a number of cases in which some financial and taxation cadres violated laws and were guilty of graft or bribery. In the current general tax and finance inspection, we have also discovered that some financial cadres are involved in graft, embezzlement, and bribery cases. Experience over many years tells us that when handling financial work, we should never relax ideological and political work among the financial cadres; when giving professional training to the cadres, we should also conduct training in ideals, morality, and discipline among them and organize them to study Marxist theory and should require them to maintain unity. Unity should be strengthened and cooperation should be closer between the financial and taxation departments and the banks and between new and old cadres. Our old comrades should not only play a leading role in professional work, but should also be models in ideology, work style, and unity. Our financial and taxation cadres should carry forward the fine tradition of being hardworking and honest in performing their official duties.

We should continue to strengthen the financial and tax institutions and build up the cadre contingent in these departments. Recently, a central leading comrade clearly pointed out: Economic departments, especially the commercial, grain, and financial departments, should make great efforts toward ideological and organizational construction among their cadres. Henceforth, our financial departments and taxation departments should do this effectively and consolidate the achievements of party rectification so as to meet the needs in the new period and fulfill the arduous tasks specified by the Seventh 5-Year Plan. In the next few years, we will not only increase the number of competent cadres in the taxation department, but will also send tax supervisors and financial monitors to various state-owned enterprises so as to prompt them to improve their financial work.

We must resolutely check and correct the unhealthy tendencies and lawbreaking and discipline-violating actions among cadres in the financial and tax departments and in the construction bank. We should take the maintenance of a fine work style as a major political task. We should deal first with the irregularities in the six major aspects pointed out by the circular issued by the party Central Committee's General Office and the State Council's General Office, and should seriously examine and correct the unhealthy tendencies such as liberalism in the political field, individualism in the ideological field, bureaucratism in work style, and the practice of making use of official functions and powers to seek private gains. Checking and overcoming these problems is not only an important guarantee for fulfilling this year's financial task and maintaining the financial balance, but is also favorable to overcoming some corrupt practices and effecting a fundamental turn for the better in our party style and in public conduct.

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A SURVEY OF WENZHOU'S RURAL ECONOMIC DEVELOPMENT

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[Investigation report by Wang Fang [3769 5364]; capitalized passages published in boldface]

[Text] Over the past few years, Wenzhou's economic development roused the concern of various departments. In order to clarify the current situation and trend of Wenzhou's rural economic development, last August some comrades of the relevant provincial departments and I spent more than half a month in Leqing, Yongjia, Ruian, Pingyang, and Cangnan Counties in Wenzhou to make an on-the-spot survey of some family factories and specialized commodity markets and study and discuss the questions related to the characteristics of Wenzhou's rural economic development, the position and role of household undertakings, and the ways to give correct guidance and strengthen management.

I

In the past, Wenzhou's rural areas were always poor and backward. Since 1979, under the guidance of the 3d Plenary Session of the 11th CPC Central Committee, the vast number of peasants there have found a new path to develop the economy, overcome poverty and become rich. Through several years of efforts, most of these areas, in particular, the five coastal counties have profoundly changed the features of their rural economy. In 1984, the city's gross industrial and agricultural output value and financial revenue more than doubled those in 1978. The city has thus put an end to many years of slow development. In 4 years, the per capita income of the peasants there more than doubled. There have not only been some rich households that earn more than 10,000 yuan a year, but most of the masses of people have also become better off. In Yishan, Qianku, and Jinxiang Districts, Cangnan County, quite a few people had difficulties in their livelihood before 1979, but now the people there have already begun to become rich and more than 80 percent of the rural households there have built buildings of two or more stories.

The outstanding changes in Wenzhou's rural economy are:

More than 800,000 rural laborers in the city (accounting for about 60 percent of the total number of laborers there) have left farmland and switched to undertaking industry, commerce, communications, transport, and other service trade on household or joint household basis. Among these people, 330,000 are engaged in industry, 220,000 are engaged in commerce and activities of sales and purchases, and 280,000 have gone to other areas to provide labor service. The large-scale transference of rural labor to nonfarming undertakings is an important manifestation of another emancipation of rural productive forces.

Throughout the city, there are 133,000 industrial enterprises run by households independently or jointly. In 1984, the gross output value of household industry was 800 million yuan, accounting for nearly 60 percent of the gross industrial output value of all the city's rural industry. Most of the raw materials for the household industry are leftover bits and pieces of industrial materials and waste materials. For example, many village households in Yishan District, Cangnan County are engaged in the production of textiles of regenerated acrylic fiber. The raw materials they use are all leftover bits and pieces from synthetic fiber and clothing factories. Their annual consumption of raw materials is equal to 34 million jin of cotton (the output of 340,000 mu of cotton land). Most of the products of family industry are small commodities that urban factories are not willing to produce and for which there is an urgent demand in people's livelihood.

Throughout the rural areas in the city, there are 10 specialized commodity markets and production and sale bases with an annual turnover larger than 80 million yuan. In 1984, the total turnover of these 10 specialized markets was 955 million yuan. These markets and family industry depend on and promote each other. Some of these markets have gradually taken shape on the basis of the development of family industry. For example, the five regenerated textile market in Yishan District was one of them. The development of some of these markets have taken along the development of family industry. For example, since the button market at Qiaotou, Yongjia County emerged, over 400 family and collective button factories have been set up one by one in that area. These factories have established, through salesmen, relatively stable supply and purchase relations with over 300 button factories (most of them state-owned ones) in the whole country and thus promoted the development of state-owned factories.

Throughout the rural areas of the city, there are over 100,000 people who are engaged in purchase and sale activities. Originally, most of them were engaged in service of fixing and reparation trade such as cotton fluffing and shoe reparation or did small business. Since rural commodity economy began to develop, they have begun to switch to the activities of purchases and sales, and gradually formed a specialized sector. They traveled all over the country to purchase raw materials, market products, sign contracts, and pass on information. They play an important role in promoting the development of rural industry and enlivening the market.

To sum up, the basic characteristics of Wenzhou's rural commodity economy are that it is based on family undertaking, that its pillars are the family industry and the joint venture industry of households, that it relies on the specialized markets and regards purchase and sales workers as its backbone force, and that it has thus formed an economic structure different from that in southern Jiangsu and in Ningbo and Shaoxing Prefectures of our province.

The emergence of the unique structure of rural commodity economy in Wenzhou has been determined by objective social and economic conditions. First, there is a shortage of farmland for a large population. The per capita farmland is only 0.46 mu. This compels large numbers of rural surplus laborers to transfer to nonfarming undertakings. Second, the industrial foundation of the city is weak. The total net value of fixed assets of the industrial enterprises in the city that are owned by the whole people and that are independent accounting units is only 370 million yuan; that of collective industrial enterprises is only 280 million yuan. Urban economy does not have much force of radiation and attraction on the rural areas. Third, the force of collective economy was originally weak in the rural areas. In particular, there was little collective industry or sideline undertakings and there was a shortage of funds and technology. Therefore, the peasants had to rely on the force of their families to develop individual industry, commerce, and other service trade. Fourth, in Wenzhou's coastal areas, there are a large number of able and skilled workers and people who are good at doing business and there has been a tradition of handicraft industry and commerce. In the past, people failed to understand or attach importance to these objective conditions; therefore, for a long time, the rural economy there was restricted in the narrow scope of centralized management and "regarding grain as the key link." The local people time and again tried to change this backward situation, but they were criticized and persecuted for pursuing "capitalism." It was not until the 3d Plenary Session of the 11th CPC Central Committee that under the ideological line of seeking truth from facts, the party organizations at various levels and the masses of people in Wenzhou found a new path of developing socialist commodity economy that conforms to the reality in Wenzhou's rural areas.

II

Generally speaking, the new path of the development of the commodity economy in Wenzhou's rural areas conforms to the socialist orientation. It has already played a clear role in reinvigorating the rural economy, and helping the vast number of peasants become rich as soon as possible.

IT IS CONDUCIVE TO GIVING FULL PLAY TO FAMILIES' ECONOMIC FUNCTIONS AND DEVELOPING SOCIAL PRODUCTIVE FORCES UNDER THE PRECONDITION OF PERSISTING IN MAINTAINING THE DOMINANT POSITION OF THE SOCIALIST PUBLIC-OWNED SECTOR. At the present stage, in developing agriculture, we should implement the contract responsibility system geared to families. In developing rural industry, commerce, communications, transport, and other service trade, we can also adopt the form of family undertaking. Judging by the situation in Wenzhou, the industry and commerce conducted by families are basically of individual economy. However, they are a necessary supplement to the socialist economy and are subordinate to the socialist economy. Family undertaking has some obvious characteristics: It can directly link the producers' interests with the results of the undertaking and thus give full play to their initiative; it can utilize the peasants' own funds, residence, and traditional skill to develop production; and it can be managed flexibly, promptly organize production in accordance with market demands, and has great ability to meet emergency. A big factory often incurs losses in producing small commodities that are worth less than 1 fen or worth several fen each, but family factories often find the production profitable because of their painstaking management and planning. Although family factories have their limitations concerning production scale and the application of modern science and technology, they are not unable to apply some advanced technology. For example, some family factories in Jinxiang, Aojiang, and Liujiang are cooperating with higher education and scientific research institutes in producing wool or synthetic fiber fire-resistant carpets and glass fiber reinforced plastic air purifiers that conserve energy, and other products and components of relatively high technology. These facts show that as long as we satisfactorily guide rural families in giving play to their economic functions, we will be able to turn them into an organic part of the socialized mass production.

IT IS CONDUCIVE TO GIVING FULL PLAY TO THE REGULATORY ROLE OF MARKET MECHANISM AND ENLIVENING OUR URBAN AND RURAL ECONOMY IN ACCORDANCE WITH THE REQUIREMENTS OF THE PLANNED COMMODITY ECONOMY. Most of the products of the family industry in Wenzhou are small commodities of daily use. If these products are all produced and allocated by the state plans, often they are stockpiled somewhere and in short supply elsewhere. Wenzhou city relies on family factories in producing and on specialized commodity markets in dealing in these commodities and the result is quite different. It has always maintained a prosperous buyers' market for all kinds of small commodities and has unprecedentedly enlivened its urban and rural economy. The secret of its success in achieving the above is that it has applied the law of value and the regulation of market mechanism and thus link the production of thousands of families and the diverse kinds of products with constantly changing demands.

IT IS CONDUCIVE TO SPEEDING UP THE CONSTRUCTION OF SMALL RURAL TOWNS AND THE GRADUAL TAKING SHAPE OF A NEW-TYPE RELATION BETWEEN OUR URBAN AND RURAL AREAS. The development of family industry and specialized commodity markets has raised new demands on the construction of our rural towns. At the same time, it has provided funds and materials and goods and thus created conditions for the construction. According to a survey in 20 formally established towns, from 1980 to 1984, over 1,200 projects have been built, in which 132 million yuan had been invested. Of this amount of funds, 81 percent was pooled by the masses of people. In more than 1 year, through raising funds by various means, Cangnan County's Longgang town built 15 new streets and newly built 130,000 square meters of buildings of three or more stories. It has also built docks, a waterworks, a vegetable market, schools, hospitals, and other public facilities. A large number of peasants who have skill and who are good at doing business have vied with one another to come to the town to settle down and set up various kinds of enterprises. The town which was originally a small and lonely village has now become a new-type rural town that has initially taken shape. If we had relied on the state only, it would have been impossible for us to build so many projects in such a short time.

IT IS CONDUCIVE TO TRAINING A LARGE NUMBER OF TALENTED PEOPLE WHO KNOW TECHNOLOGY AND ARE GOOD AT DOING BUSINESS. As the rural commodity production develops, the vast number of peasants have intensified their contacts with the outside, widened their field of vision, and been inspired with an enthusiasm to learn reading and writing and technology. Their traditional ideas have thus been changed. In particular, new-type peasants who have both some education and knowledge and the pioneering spirit, have emerged among the youths there.

Wenzhou's form of economy with family undertakings as its core also has its weak points and limitations. The dispersed operation of separated families has limited economic strength, is relatively weak, and lacks reserve strength. Its equipment is simple, technology is backward, and products are mostly of low grade. Therefore, it lacks the competitive edge in competing with large and medium-sized cities or developed areas. The administration and management of its production to some extent lacks planning and are blind and backward.

III

In Wenzhou's rural areas, as the commodity economy develops, not only a commodity market but a fund market has emerged. There are many new situations and new problems that need conscientious study and discussion. We should correctly guide and satisfactorily manage Wenzhou's rural economy founded on family undertakings, give play to its positive role, restrict and overcome its negative role, and thus enable it to develop healthily along a socialist orbit.

1. It combines the development of the commodity economy with that of the cooperative economy. As the production scale of the family industry in Wenzhou continues to expand, some of it has already broken the boundary of family undertakings. As a result, two trends have emerged. One is the development of combines; and the other is the gradual increase of workers employed by households. Both trends are the demand resulting from the further development of the commodity economy. Our orientation is to follow the road of establishing combines and developing the cooperative economy. This is consistent with the development of our socialist commodity economy. At present, the masses of people have already created diverse forms to form combines between themselves. Some of them have established combined agricultural, industrial, and commercial companies, others have set up joint stock companies, and so on. Although these forms of cooperation are relatively loose at present and although their members and forms are continuously changing, their advantages are displaying themselves increasingly clearly. We should conscientiously guide peasants in forming combines, but we should follow the principle of voluntary participation and mutual benefit and should not be too anxious in doing so. Even less should we adopt administrative and compulsory means to force them to form combines. In the light of the objective demand of our production, we should continue to create and perfect the forms of the combines in the process of our practice and combine the flexibility of family undertakings with the advantages of combines. Concerning the employment of workers by households, we should proceed from the necessity of combining production factors such as funds, technology, and labor on a relatively larger scale and from promoting the development of our rural productive forces, and thus enable the practice to gradually transform into the establishment of joint stock companies or cooperatives.

2. We should strengthen our macroeconomic readjustment in the sphere of distribution. Since the beginning of the development of Wenzhou's rural commodity economy which is based on family undertakings, there have been some changes in the distribution of the national income. The state's financial revenue accounts for a decreasing percentage in the national income, the accumulation of the collectives has fallen, and the income of individuals has risen fairly greatly. There has been a relatively great disparity between the income of various producers and traders and a number of households have emerged whose income is above 10,000 yuan. Most of these high-income households are purchase and sale workers, family industrialists who employ relatively many workers, construction contractors, and those who provide credit for people on a large scale. Their income is high, but their tax and social burdens are much lower than state-run and collective enterprises. This situation shows that we must strengthen our macroeconomic readjustment in the sphere of income distribution. First, we should satisfactorily handle the relations between the state, collective, and individual. In regard to the income of individual traders and producers, we should also apply the means of taxation to readjust it. The kinds of taxes that we have already imposed should be collected in accordance with the regulations. We should conscientiously investigate and handle the cases of tax evasion. Most of the income tax collected from individual industrialists and traders should be retained by the localities, regarded as an important source for the revenue of counties and townships (towns), and mainly used in rural education, construction of villages and towns, and providing aid to agriculture. No matter what form of contract responsibility system is adopted in a collective enterprise, a certain proportion of its profit should be transferred into its accumulation funds. If the income of rural people in different lines of undertakings such as industry, commerce, and agriculture differs too greatly, we should also adopt economic means to readjust it in order to reduce the disparity of income between those engaged in agriculture and those engaged in industry and commerce. By so doing, we will make those engaged in agriculture have production initiative. Otherwise, the harmonized development of our rural economy will be hindered and many social problems will emerge.

3. We should strengthen our control over product quality and business activities and thus improve the reputation of family undertakings. At present, unsatisfactory product quality, unhealthy business style, and low social reputation have already become outstanding problems that hinder the further development of Wenzhou's family industry. Therefore, the Wenzhou City CPC Committee and government have already adopted and are adopting measures. First, they have organized their various departments, including the industrial and commercial administrative, industrial, communications, scientific and technological, medical, and political and legal departments, to do a good job of service and administration, help improve product quality, establish and perfect quality examination institutes, and increase testing means. These departments have been told to exercise strict control over electric and mechanical products and food that have a direct bearing on the safety of people's life and property and ban the marketing of any products that are not up to the standards. They are also told to conscientiously investigate activities of producing fake products and fraud. Second, we should sort out our individual industrial and commercial households including purchase and

sale workers. They should be registered at and be issued licenses by the industrial and commercial administrative departments and gradually keep and perfect their accounts. We should teach the purchase and sale workers to correct their work style and pay attention to commercial ethics. Third, we should speed up the popularization of free education, satisfactorily grasp rural educational reform, set up vocational schools and technical training courses in the light of the characteristics of local production, and heighten laborers' educational and technological level. Fourth, we should strengthen our leadership over mass organizations such as associations of individual laborers and give full play to their role of self-education, self-service, and self-management.

4. We should strengthen our control over rural fund market. Most of the production and exchanges in Wenzhou's rural family industry are cash transactions and the turnover of currency is very big. However, our agricultural banks and credit cooperatives do not have the systems and management methods that are adapted to this situation. Therefore, they cannot absorb the large amount of idle funds among the people nor can they satisfy the individual industrial and commercial households' demand for credit. As a result credit provided by the people has developed to a great extent. Therefore, strengthening our control over rural fund market and speeding up the reform in our rural credit cooperatives have become an urgent problem. The key link of the reform is to restore the credit cooperatives' nature of cooperative economic organizations, relax our control over credit cooperatives, enliven them and allow them to adopt floating interest rates of their loans and deposits within the scope of the state's policies and regulations. At the same time, we should do a good job of carrying out internal reform in our credit cooperatives, overcome the malpractice of "eating out of the same big pot," and implement the responsibility system that combines responsibility, power and interests. Once we have enlivened our credit cooperatives, we will enable them to play a greater role in solving the problems related to funds for our township and town enterprises, individual traders, and family industry.

5. While developing rural industry and commerce, we should continue to increase our aid to agriculture. Now, there has been a tendency of reduction in Wenzhou's agricultural production, in particular, grain production. In some areas, extensive farming is conducted and the practice of allowing farmland to lay idle has even emerged. The major reasons for this are: 1) The development of family industry and commerce has turned many rural households into households that are mainly engaged in industry and commerce while being engaged concurrently in agriculture. These households are not very much interested in the small income from agriculture. 2) Some of the policies and measures of the state and collective have failed to bring about any effect and others have not been implemented. 3) The leadership in some areas has to some extent neglected and failed to grasp agricultural production.

How we are to strengthen our aid to agriculture and give play to its role as the foundation, continues to be an issue that we should not neglect in developing our national economy. Since the transference of large amounts of labor to nonfarming undertakings in our rural areas, the fundamental way to raise labor productivity and commodity rate of our agriculture is to urge land to be concentrated in the hands of a small number of skillful farmers and the development of specialized and socialized production. The specialization and socialization of our agriculture is a development process that takes a long time. At present, a number of specialized agricultural households, family farms, and economic organizations that serve agricultural production have already emerged in Wenzhou's rural areas. However, they have met quite a few difficulties in their production and operation. Some of them are reducing their scale and others are planning to transfer to other undertakings. This situation must draw our attention. The more developed the industry and commerce in our rural areas, the less should we neglect agricultural production. If our agriculture shrinks, there will not only be a waste of our resources such as farmland, mountains, forests, and water, but the development of our industry and commerce will also be hindered. Therefore, we should continue to stress that all lines of trade and industry should support agriculture, that we should do a good job of pre- and after-production service, that we should continue to carry out some measures to subsidize agriculture that have been proved to be effective, that we should support households specialized in agriculture, and that we should mete out economic punishment for the activities of abusing or laying idle farmland.

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COMMENTING ON 'TAKING THE POCKET AS A YARDSTICK'

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[Ideological commentary by Shi Youxin [2457 0645 2946]]

[Text] What is called "taking the pocket as a yardstick" refers in economic activities to the idea of "as long as one does not pad one's own purse, things can be done in any way," or "as long as it is for the collective, anything can be done." These are erroneous ideas which have become prevalent among some party members and cadres in the last few years.

Seen on the surface, these ideas seem like strategems for setting down a clear division. However, this division is in fact not clear and cannot provide a way to divide things clearly. This is because although one says one is "not going to pad one's own purse," it is advocated that one's region and one's unit can do anything. This is no different to saying that, in order to obtain benefits for one's region and unit, it is allowable, within limits permitted by policies and laws, to use policy "loopholes" to engage in activities which run counter to law and discipline. As long as one can gain money, any method can be used. Even if a method is improper, that is not of great importance. It is not even unreasonable to take things out of the state's pocket and the pockets of other regions and units to fill the pockets of one's region and unit, because this is for the collective, not for filling one's own purse. Why can actions which violate policies and laws be discussed and passed in party meetings in some regions? How is it that such dishonest practices can be engaged in a guided and organized way? Why is it that indiscriminate issuing of money and goods, indiscriminate price rises, excessive retention of profits, evasion of taxes, party and government organs engaging in commerce and repeatedly reselling at higher prices, making and selling fake goods and other such unhealthy tendencies in various areas has not been stopped? Why is it that when these things are investigated and handled, the parties concerned feel wronged, some even feeling outraged? It must be said that this is closely related to provocation by the ideology of "taking the pocket as a yardstick." What sort of ideology is this? It is a typical ideology of selfish departmentalism or group selfishness. It is an ideology which encourages people to engage in dishonest practices for the interests of a small group and a small number of individuals, and encourages them to speak in defense of these dishonest practices.

Many facts show that if a party member or cadre allows this ideology of "taking the pocket as a yardstick" to become a part of his actions, then if he wants to control the zipper on his own pocket so that he really does not pad his own purse it becomes very difficult to do so. For example, the cadres of some units violate financial discipline, retain excessive profits, evade taxes, indiscriminately issue money and goods, all while saying this is for promoting the development of the unit and for the benefit of the masses. However, the purses of these cadres do not remain empty; they obtain at least as much as the unit average. Situations exist where bonuses are given out on the merits of a job position, the greater the bonuses given, the higher the level. While staff and workers get a few hundred yuan, the cadres will get 1,000-plus yuan. It is also possible that initially a person may not want money, or at least much money. But after a period of engaging in this "anything goes," he sees other people's purses growing. Thus, the hold on his own purse zipper slowly loosens. Why is this? The logic is simple. Group selfishness is just expanded individual selfishness. Talking about group interests is often the same as talking about individual interests. As to the premeditated use of the pretext of "not padding one's own purse" in order to obtain more income in a more ingenious way, nothing more need be said.

It is possible that among those party members and cadres who "take the pocket as a yardstick" and approve of the method of not worrying whether a means is proper or not as long as it is for the benefit of the region or the unit, there are those who are not padding their own purses. What of them? Can we say that they are doing nothing wrong? No! Wherever such an ideology exists, it is wrong because it departs from concepts of right and the principled stand by which party members and cadres should abide. Using such an ideology to guide activities is even more erroneous. Certainly, seen from the temporary interests of a single region or a single unit, doing things in this way may bring some benefits, or even great benefits. However, seen from the long term, it conceals problems which exist there. This is not advantageous in bringing into play latent potential and real superiorities. This does not enliven the economy in these places and will in fact lead to a laxity of popular sentiment which will result in undertakings being neglected. Seen from the macro-level, this can lead to a series of problems.

Its influence is disadvantageous to the development of the overall socialist commodity economy and can even produce disorder and obstruct the smooth implementation of our overall economic reforms. Of particular seriousness is the possibility that doing things in this way will corrode cadre ranks and produce unhealthy tendencies both in economic activities and within our society. It may provide opportunities and conditions for "padding one's purse," stressing personal interests and criminal actions which infringe the law. In Hainan region, when a small number of leaders "took the pocket as a yardstick" and engaged in the resale at higher prices of foreign exchange and motor vehicles, they used great amounts of state foreign exchange and credit, but there was little change in the appearance of the region. The peasants who constitute 80 percent of the region's population received no benefits. At the same time, some party members and cadres wound up with considerable amounts in their own purses. Over 140 cases of economic crimes, including corruption, accepting bribes, speculation, and fraud were uncovered there. This occurrence, whereby some Chinese and foreign criminals took the Hainan region as an adventurers' playground, provides us with some thorough lessons.

From this, we can see that deciding on which economic activities can be engaged in, and which cannot be engaged in, cannot be decided on by "taking the pocket as a yardstick." Rather, we must take as the yardstick whether the activity accords with policies, laws, and discipline, whether it strengthens the state and makes the people happier and more prosperous. Engaging in unhealthy activities and in activities which violate policies, law, or discipline harms the interests of the state and people. Regardless of whether such activities are for the individual or for the collective or whether an individual's purse is being padded or not, all such activities are wrong. This of course does not mean one should not stress the interests of one's region or one's unit.

A leader who does not try to improve the situation in the region or unit for which he is responsible and does not pay attention to the interests of the masses of that region or unit is not worthy of the name leader. But this must be related to the restrictions imposed by policies, laws, and discipline. Also, one cannot ignore the relationship between the part and the whole, or build the interests of one's region or unit on the basis of harming the interests of the state and people. Entrusting one's hopes to dishonest practices, getting rich by foul means, harming others in pursuit of one's own interests, and using state property to benefit local interests are all evil ways. Things obtained in such ways can only be called ill-gotten gain.

Party members and cadres should not look at problems and act only on the basis of the interests of their region or unit. In carrying out each action, they should first think about whether the action accords with party policies and will affect the overall interests of the state and the people. If it violates policies or harms overall interests, then it should be voluntarily abandoned. Carrying out policies and considering the overall situation is not an impediment to seeking benefits for one's own region or unit. Rather, it is a condition and a guarantee for realizing the appropriate interests of the region or unit. The whole must assist the parts, while the parts must safeguard the whole. In the present situation, where party style and social atmosphere have not yet taken a turn for the better, carrying out one's economic activities and resisting various unhealthy trends may bring temporary disadvantage in terms of the interests of the unit, but it will benefit the whole. When circumstances require, it may be necessary to consider abandoning partial interests to guarantee overall interests. In the end, this will also be of advantage to the parts. Our party members and cadres must broaden their views a little and should not just act on the basis of momentary interests by "taking the pocket as a yardstick."

The series of correct principles and policies stipulated by the party Central Committee provided a basic guarantee that the reforms and construction will be successful. Every party member and every cadre, when considering problems and handling affairs, should be consistent with party policies. Implementation of such policies must be linked to the actual situation in the region and unit. This is a principle, but we cannot use the pretext of "linking up" to violate policies and do things differently. In our reforms we must advocate the spirit of creation and exploration through practice, but we cannot use exploration as an excuse to exploit "loopholes" in policies and engage in "countermeasures." In some areas, there is some "flexibility" allowed on certain matters in accordance with the actual situation. But this "flexibility" is not the same as covertly violating policies. Rather, it is "flexibility" with the precondition of upholding basic socialist principles and basic policies. Not only will this benefit the people of that area, but also the state and the people. We cannot engage in activities which violate laws and discipline or which further unhealthy practices. We cannot take dishonest paths and harm the basic interests of the state and people. These principles apply at all times in all areas. Implementing policies, observing law and discipline, and treating the interests of the state and the people as being of supreme importance are yardsticks which no party member or cadre can exceed and political qualities which they should all possess.

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HOW TO APPROACH CONTEMPORARY WESTERN PHILOSOPHY

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[Article by Zheng Hangsheng [6774 2635 3932]]

[Text] Following the implementation of our nation's policy of opening up to the outside world, the problem of how we are to correctly approach contemporary Western philosophy has been placed on the agenda. Seeking truth from facts and concrete analysis are the core and basic footholds in using a Marxist stand, viewpoint, and methods in looking at contemporary Western philosophy. If we divorce ourselves from this, then we will be unable to make correct analyses and judgments about contemporary Western philosophy. In using the approach of seeking truth from facts and concrete analysis in looking at contemporary Western philosophy, on the one hand it is necessary to uphold party principles in regard to philosophy and criticize the idealist and metaphysical tendencies contained within them. We cannot adopt a laissez-faire attitude. On the other hand, we must clearly differentiate the essence from the dross while critically and analytically transforming and using those quintessential things which accord with our national conditions. We cannot adopt nihilist methods. The experiences of history have shown that really seeking truth from facts and truly carrying out concrete analysis in regard to contemporary Western philosophy are extremely difficult to achieve. The task which lies before us at present is, on the basis of further mastering materials first-hand, to better use the Marxist stand, viewpoint, and methods to carry out deeper research, conduct scientific assessments, and correctly introduce contemporary Western philosophical thought, so as to raise our research to a new level.

I

Contemporary Western philosophy and Marxist philosophy have clear differences and points of antithesis. These differences and points of antithesis can be looked at from three angles: form, content, and nature.

In terms of form, there are many types of contemporary Western philosophy and a great number of schools. They are of dazzling diversity and variety. Existentialists believe that there are as many types of existentialism as there are existentialists. Also, in other schools one will not find two philosophers who hold completely identical views. Many contemporary Western philosophical schools gain considerable fame when first established, but then quickly return to relative obscurity. On the Western philosophical stage, they replace one another, as if on a merry-go-round. This diversity and variety is a major characteristic, in terms of form, of contemporary Western philosophy. However, in essence, this is not an indication of the richness and strength of contemporary Western philosophy, but clear proof that it lacks a real scientific world view and methodology and therefore lacks the power to renew itself and lacks vitality. In contrast to this, Marxist philosophy is celebrated for its unity and stability. This demonstrates that it is the result of 2,500 years of philosophical development and the product of revolutionary changes in the history of philosophy. It is a summary of the laws of the development of nature, society, and man's thought, and has matured to where it can unify man's ideas. As a real scientific world view and methodology, Marxist philosophy has incomparable strength to continually renewing itself. It is able to develop in the wake of the development of practice and progress following the advance of society. It is thus able to eliminate various types of erroneous tendencies which tarnish it. Western philosophers often accuse Marxism of being "stereotyped," of "everyone having the same face." If this refers to the basic principle of the Marxist philosophy to which we adhere, then it should be strongly and justly pointed out that the basic principle of Marxist philosophy is indisputable, that it is grasped and adhered to by hundreds of millions of the masses, and that it has become their guide to action. What is wrong with such unity? This is precisely what contemporary Western philosophy has been unable to achieve.

In terms of contents contemporary Western philosophy mainly involves questions of science and questions of man. It is these two great questions which have produced the concurrent existence of the two great ideological streams in contemporary Western philosophy--scientism and humanism. The ideological stream of scientism was established through Comte's positivism and was inherited and developed through Mach's empirio-criticism, logical positivism, critical rationalism, scientific philosophical historicalism, and such schools. The humanist stream was established through the voluntarism of Schopenhauer, Kierkegaard and Nietzsche and was inherited and developed by life philosophy, phenomenology, existentialism, the Frankfurt school, and other schools. The creation of these two streams was related to the situation whereby, among the bourgeoisie, rationalism and humanitarianism were being separated. The two of these, as weapons of antifeudalism, were once unified. The famous remark "knowledge is strength" showed a stress being placed on reason and science; the principle of "freedom, egalitarianism, and fraternity" showed a stress placed on humanitarianism and human rights. However, harsh reality later showed that, under a capitalist system, the progress of science and the use of machines and new technologies could not bring universal "freedom, egalitarianism, and fraternity." Rather, they brought a serious social crisis. At the same time, both the development of science and man's social life raised a great number of questions requiring answers. Thus, rationalism on the one hand tended more and more to put the question relating to man outside the limits of science, and on the other hand, underwent changes itself. From an abstract, ideologically discriminating rationalism, it changed to a concrete positivist rationalism. Along with this, humanitarianism took on an increasingly antirationalist color. It denounced the humanitarianism of classical rationalism as sham humanitarianism and advertised itself as a "new humanitarianism" which was capable of responding to man's original innate nature. In this way, at the end of the last century there was a division between two major ideological streams. The two world wars of this century which brought such great calamities to man, and the third scientific and technological revolution, which occurred in the West in the 1950's, also gave motivating power to the spread of the two ideological streams of scientism and humanitarianism. As opposed to this, Marxist philosophy uses the universal laws of nature, society, and thought as its targets and contents. In its correct epitomizing and summing up of natural science and social science knowledge, it has never set the questions of science against the questions of man. Thus, in this respect, it has never had the problem of two concurrent ideological streams set against one another. Rather, it has posed the question of how scientific and technological progress can help in raising the levels of the material and cultural levels of the people.

Essentially, contemporary Western philosophy, regardless of whether it is the scientism stream or the humanist stream, does not in the end overcome the limits of idealism. Although in regard to the basic questions of philosophy, the two streams have different views, in their final answers they do not take an objective idealist stand, but rather a subjective idealist stand. In general, in contemporary Western philosophy, the objective idealist school has clear superiorities. Of course, contemporary Western philosophy has a few materialist tendencies and factors, but these are unable to change the above situation. As opposed to this, Marxist philosophy is dialectical materialism and historical materialism. As compared with contemporary Western philosophy, it really has a basically opposite world view and methodology.

II

As contemporary Western philosophy and Marxist philosophy are opposed, why must we still study contemporary Western philosophy? This is a question to which people are paying great attention. Some of our comrades are worried to a degree that the study of contemporary Western philosophy will jostle the Marxist philosophical front and that this will not be beneficial to the development of Marxist philosophy. Some comrades, although they are not worried on that account, are still not too sure what necessity there is in studying contemporary Western philosophy.

If we wish to decide on the historical position of contemporary Western philosophy in the development of Western philosophy, we need to see where it differs from traditional philosophy which contained both ancient and modern philosophy. The differences can be looked at from two angles: First, from what it has inherited from traditional philosophy and what it has discarded. Seen from this angle, we should truly recognize that modern Western philosophy, in terms of its main stream, has discarded the materialist line of traditional philosophy and has inherited, in different forms, the idealist line of traditional philosophy. It is precisely in this sense that we say that contemporary Western philosophy is generally and basically erroneous and one-sided. However, we cannot stop here. We must also look at the second angle, that is, what new questions and new concepts which differ from those of traditional philosophy have been given rise to by this philosophy, and whether these new questions and new concepts have any common ground with the direction of the development of modern science and the civilization of mankind. From this angle, we must also recognize that contemporary Western philosophy has a partial rationality. This is because if it raises new questions which are consistent with the development of modern science and of the civilization of mankind, even if they are not resolved entirely correctly, or even if they are resolved entirely incorrectly, they will still have value in understanding. In the same way, if new concepts which are consistent with the development of modern science and of the civilization of mankind are put forward, even if they are not precisely expressed or if the proof is not full or is even erroneous, they will still have inspiritional significance. Such new questions and new concepts are, in the end, the result of mankind's serious exploration of thought, and are not pure nonsense. The founders of Marxism, in regard to the classical German philosophers from Kant to Hegel, placed stress on the "rational core," and did not just point out their mistakes or even absurd philosophical conclusions. Of course, we cannot place on a par contemporary Western philosophy and the classical German philosophies which were one of the sources of Marxism. However, likewise, today we cannot just pay attention to the basic mistakes of contemporary Western philosophy and ignore its partial rationality.

Following the development of science and society, contemporary Western philosophy has indeed put forward a series of new questions and new concepts. Thus, in regard to the targets and methods of philosophy, in the relationship between philosophy and science and in the idea of philosophy occupying a leading position, there have appeared ideas which differ greatly from the ideas of traditional philosophy.

In terms of the target of philosophy, the ancient Greeks and Romans mainly studied ontological questions. Modern philosophy, established by Descartes, mainly studied epistimological questions, while contemporary philosophy mainly studies methodological questions. This change in the target of philosophy reflects a gradual deepening of man's understanding. From the past, when they mainly explored objects, there was a progression to the modern period, when they mainly explored the relationship between subjects and objects, and then a further progression to the contemporary period where stress is placed on exploring internal mechanisms of the actions of subjective understanding and the concrete relationship between understanding and its linguistic manifestations. Because of the negative social effects produced by the development of industry and science and technology in capitalist society (men becoming the slaves of machines and so on) and because of the serious disasters brought on man by the two world wars, contemporary Western philosophy pays much attention to the significance of man's being, man's value and dignity, man's sense of responsibility, and man's freedom, to the harm brought on man by social and technological development, and so on. While exploration of these questions has been unable to overcome the narrow bounds imposed by bourgeois ideology and the protection of the capitalist system, we cannot deny that consciously or unconsciously it reflects the deep contradictions in contemporary Western society and its economic, spiritual, and various other social crises. These contain the harsh unmasking and a strong criticism of the problems of contemporary capitalist society.

In terms of philosophical methods, ancient philosophy generally used direct perception in the observance of objects. Engels referred to this method as "innate, natural philosophical intuition" ("Selected Works of Marx and Engels," Vol 3, p 444) or referred to it as the "direct intuition" of the ancient Greeks. (Ibid., p 468) Modern philosophy, in studying the relationship between subject and object, mainly used the psychological method, that is, the method of deduction, with the precondition that spiritual understanding is unverifiably self-evident. "I think, therefore I am," "existence is awareness" and such propositions are manifestations of this method. Contemporary Western philosophy, in exploring the activities of subjective understanding and the relationship between understanding and its linguistic manifestations, mainly using an analytical approach--logical analysis, semantic analysis, operational analysis, structural analysis, value analysis, and so on. The American philosopher White in his 1955 book "The Age of Analysis" saw analysis as an "urgent matter of the 20th century" and "this century's most powerful trend." Contemporary Western philosophers strongly believe that "everything can be analyzed." As to the method of analysis, although there are many methods, the common demand is to break down the complex into the simple, analyze the hazy into the clear, analyze the abstract into the concrete, and analyze the general into the specific. The method which is most typical and which has the greatest influence is logical analysis. Logical analysis refers to the application of the results of modern mathematical logic so as to be able to analyze those matters which elicit skepticism or which already contain questions, into matters which do not elicit skepticism or which are self-evident. Russell's "Theory of Symbols" is seen in the West as the model of logic. Compared to the psychological method, this method has the advantage of being able to avoid the divergences of meaning and the disorder in concepts which were produced through the influence of psychological factors. Thus, in one respect this accords with the demands of the development of modern science.

As to the relationship between philosophy and science, the ancient philosophies were all-embracing, becoming a generalism for science, or "the science of sciences." Some people call this relationship "everything within philosophy." With the arrival of modern philosophy, the concrete sciences were successively separated from the embrace of philosophy and became independent sciences. Some people call this relationship "everything outside philosophy." Contemporary Western philosophy differs from both of the above. It believes that philosophy should serve science and should play a role as a servant of science, rather than the role of "empress of science." It believes that there is a need to study those concrete empirical questions of science and that the abstract and speculative metaphysical questions should not be studied. Some people call this relationship "philosophy within everything." Here, the negation of the special nature of philosophy and the tendency to mix philosophy with concrete sciences is wrong. However, it does manifest efforts made in exploring the relationship between philosophy and concrete sciences.

The above changes in the philosophical views of contemporary Western philosophy were followed by changes in the domination of philosophical concepts. If we say that the concepts which occupied the dominant position in traditional philosophy were absolute, inevitable, universal, abstract, quintessential, and fixed, then we can say that the concepts which occupy the guiding position in contemporary Western philosophy are relative, possible, particular, specific, and probable ("vague"). If we say that what traditional philosophy put in the prime position was things, that is the objects themselves, then what contemporary Western philosophy puts in the prime position is the relationship between things and the significance and value of the object. In the changes in the dominant concepts of contemporary Western philosophy, because a dialectical viewpoint of antithetical unity is lacking, often there is a leap from one extreme to another. For example, contemporary Western philosophy only recognizes relativity and basically refutes absoluteness. However, relativity in the end is an important aspect of and link in man's consciousness. Thus, the deep research from various angles into relativity by contemporary Western philosophy is, in the end, beneficial to the overall understanding of the dialectical relationship between absoluteness and relativity. In traditional philosophy and traditional natural sciences, absolute concepts occupied the dominant position. Philosophers put their efforts into seeking an absolute basis for being and an absolute standard for truth, while scientists made efforts to find absolute laws of nature. Absolute concepts reached their highest point primarily in Newton's mechanics. Newton used absolute things, absolute time and space, and absolute mechanical laws to sketch the universal prospects of mechanics. Absolute concepts reached their apogee in Hegel's philosophy of absolute idealism. Hegel used absolute concepts to form a speculative system of absolute truth. Although in both ancient and modern philosophy there have been those who advocated relativist skepticism, in the end none of them has been able to break through the dictatorial theory of absolutism. In 1905, Einstein's special theory of relativity challenged Newtonian mechanics. Following this, "everything was relative" and relativity became the dominant concept ingrained in contemporary Western philosophy. It is no wonder that the American philosophy professor, Binkley, in his 1969 book "The Conflict of Ideals" called the 20th century "the age of relativism." In philosophy, all sorts of relative concepts are in fact reflections of relative concepts in modern natural sciences, and the partial rationality they contain cannot be ignored.

It is very clear that the changes in the targets and methods of contemporary Western philosophy in its relationship with science and in its dominant concepts are, to various degrees, reflections of deepening understanding, increasing comprehension, and the raising of the ideological level. It can be said that what is manifested by this partial rationality is a progressive change which has promoted the development of Western philosophy. In fact, contemporary Western philosophy's opposition to Hegel's speculative system of absolute truth, which had already obstructed the further development of science and philosophy, accords with the demands of scientific progress and philosophical innovation. However, it unanalytically totally negates Hegel bringing a great amount of one-sidedness which has produced many philosophical errors.

From this it can be seen that correctly understanding and grasping the position of contemporary Western philosophy the development of Western philosophy is of key importance in our looking at Western philosophy in a seek-truth-from-facts way. In this process of understanding, the key to an overall and impartial assessment of contemporary Western philosophy lies in correctly using the dialectical methods of Marxism. That is to say, on the one hand we must recognize that in terms of major currents, contemporary Western philosophy is retrogression compared with traditional philosophy, especially compared with classical German philosophy, because it discards the materialist line of traditional philosophy and the dialectical ideology of the classical German philosophers. On the other hand, we must recognize that, following the development of modern science and the changes in Western society and the inevitable creation of new situations and new problems, Western philosophers have produced some rational elements in exploring these situations and problems. This is a progressive aspect of contemporary Western philosophy as compared to traditional philosophy and is something which Marxism should use for reference. This can be said to be an overall and fair appraisal of contemporary Western philosophy.

III

The study of contemporary Western philosophy also has positive and negative enlightening roles in adhering to and developing Marxism in the new historical period.

The enlightening role in the negative aspect is that it reveals to us mistaken things or things which are not entirely correct. Specifically, its functions can be outlined as follows:

1. In studying contemporary Western philosophy, we can effectively raise our abilities in analytical criticism. In contemporary Western philosophy, skewed philosophical conclusions are often mixed up with concrete scientific results. For example, analytical philosophy contains many of the results of mathematical logic. Erroneous ideas also often contain some rational elements. For example, the thesis of the famous contemporary Western philosopher and sociologist Max Weber that religion and other noneconomic factors are the determining factors in social development is undoubtedly erroneous, but the stressing of noneconomic factors is reasonable. A work will also have a different significance when looked at from different angles. For example, Wittgenstein's "Tractatus Logico-Philosophicus" has significance as a work of logic, much more so than as a work of philosophy. In addition, different aspects of a philosopher can have different significance. For example, Popper's philosophy of science, as a link in the transition from logic to historicism, played a role in the development of Western scientific philosophy. However, Popper's social philosophy negated the idea of history developing according to a pattern. This was a question which Marxism had resolved very early on and thus in some respects, on the theoretical level, he was turning the clock back. All situations of this type require concrete analysis. If we truly act in this way, then our abilities at carrying out Marxist analytical criticism will be improved. If we are indiscriminate when negating something erroneous, and if we negate the good things it contains,

then we will be throwing the baby out with the bath water and it will show that we have no abilities in analytical criticism.

2. The study of contemporary Western philosophy can help us sum up and absorb the lessons of experience in terms of thought. Contemporary Western philosophy undoubtedly contains many aspects in which wrong steps have been taken and where walls have been run into. If we do not just point out the mistakes, but show the cause, development, and effects of the mistakes, then we will be accumulating useful information. At the beginning of this century, philosophers compared the swift progress of natural science in the 200-plus years since Newton with the stagnation of philosophy in the 2,500 years since ancient Greece (during which no questions appear to have been resolved). They felt that the reason for this lay in that scientific theory was precise and dependable, scientific methods could be tested by using common experimental measures, and scientific language was mutually interchangeable, while philosophical theory was abstract, philosophical methods could not be tested, and philosophical languages could not be interchanged or be mutually comprehensible. Thus, if philosophy was to develop, it had to use the blueprint of natural sciences. These people put much effort into various avenues to make philosophy more like mathematical logic and more like the natural sciences. They wished to create an ideal artificial language, but none of their actions achieved success on the philosophical plane. This was because, while in stressing philosophy it is admittedly correct to absorb nutrition from the natural sciences, philosophy and the natural sciences have their own characteristics and they cannot replace one another. This lesson is worth serious contemplation by those cadres who today are trying to use the "three theories" (system theory, information theory, and control theory) to replace or "transform" Marxist philosophy.

3. The study of contemporary Western philosophy is able to help us more clearly understand our strong points and our inadequacies. After World War II, both of the ideological streams had a marked tendency for some of their schools to "draw close to" Marxism to different degrees. They tried to "combine" Western philosophy and Marxist philosophy. There arose a number of types of Western Marxism under various names: "existential Marxism," "Freudian Marxism," "structuralist Marxism," and so on. These facts tell us that we must firmly delineate the limits of Marxism and show us that Marxist philosophy has a vast appeal. If it did not, then it is hard to imagine how an existentialist such as Sartre (regardless of his motive) could say: "I see Marxism as the unsurpassed philosophy of our age." Is this point not worthy of the attention and study of those comrades who do not see the true features of Lu Shan, who looked down upon Marxist philosophy and who blindly esteemed Western philosophy? At the same time, in contemporary Western philosophy, it often occurs that the two ideological streams wrangle, with each stream being correct in one respect and wrong in another. The correct ideas of each of the sides are often things which Marxist philosophy has already clarified. The relationship between logic and history and between quantitative changes and qualitative changes in the development of science, and the relationships between philosophy and science and between philosophy and language in philosophical viewpoints are examples of this. In addition, the study of contemporary Western philosophy also allows us to discover some matters on

which there is insufficient proof. For example, by studying Paiget's "Genetic Epistemology" we come to know that the use of Pavlov's reaction--stimulation formula to explain the mechanism of the theory of dynamic reaction--is too simple.

We often say: By comparing, we can differentiate, and by differentiation and struggle there is development. This is not an empty statement, but one rich in content. It also allows us to concisely explain how the negative enlivening roles have a function in promoting the enrichment and developments of Marxism.

What is referred to as the positive enlightening role indicates those constructive things which provide us with enlightenment.

First, the exploration of many new areas by contemporary Western philosophy attracts our attention to these areas. For example, in order to study the relationship between understanding and its linguistic manifestations, and study the possibilities and mechanisms of man's ideological contacts, contemporary Western philosophy has done deep research on the meaning, use, and forms of language, and has really created new sciences such as semantics, semiotics, and morphology, and has put forward many new questions such as: What is the smallest unit of meaning? Is it words or linguistic action? In order to explore the patterns of scientific research, contemporary Western philosophy has put forward all sorts of scientific development models. The "gradual progression" model of logical positivism, the "continued revolution" model of critical rationalism, Cohen's model of "alternation of conventional science and scientific revolution," La-ka-tuo-si's [2139 0595 2094 2448] model of "scientific research program methodology," and so on. Thus, by studying contemporary Western philosophy, we will be able to use a Marxist viewpoint in going deep into these fields. This will assist us in strengthening our research into those fields which our nation's philosophy has not yet researched or not yet researched deeply. Second, the guiding concepts in contemporary Western philosophy are very different from those of traditional philosophy. This change draws our attention and research to those fields, such as relative concepts, which we do know and to which we have not paid sufficient attention. Thereby we can gain a new and more concrete understanding of the overall dialectic of the absolute and the relative. In addition, from the criticism of Western society by contemporary Western philosophical schools, such as the Frankfurt school, we can obtain valuable materials. Contemporary Western philosophy's refutation and querying of earlier philosophies, such as opposition to speculative metaphysics, as well as the mutual censuring of each other by contemporary Western philosophers, such as Qine's denunciation of the two creeds of economism, also give us beneficial enlightenment.

In brief, under the guidance of a Marxist viewpoint, developing research into contemporary Western philosophy can really play a positive role in regard to Marxism. Not only this, but it is completely logical to say that the more deeply this research is carried out, the greater will be the force promoting Marxism. On the other hand, if under conditions of a loosening up not to conduct research, and contemporary Western philosophy is allowed to occupy the market, it will lead to a real shrinkage of the Marxist philosophical front and an expansion of the negative influences of contemporary Western philosophy. This will also result in a major obstruction to the enrichment and development of Marxist philosophy. The worries of those who think that the study of Western philosophy will be disadvantageous to Marxist philosophy are unnecessary.

The foothold in developing Marxist philosophy is our nation's great socialist practice. At the same time, Marxist philosophy has never been divorced from the great road of world civilization. In an important respect, the study of contemporary Western philosophy can make its own contribution in helping our nation's philosophy become a scientific world view and methodology which accords with the demands of the four modernizations.

IV

We are now able to quite clearly understand why totally negating or totally affirming contemporary Western philosophy both violates the seeking of truth from facts and concrete analysis. Thus, both are wrong. Total negation indicates that one only sees the overall and basic errors of contemporary Western philosophy and denies its partial rationality. Such a view only sees where it differs from and has points of antithesis with Marxism, while denying its negative and positive enlightening roles in respect of Marxist philosophy. It only sees that this philosophy can produce negative and secondary effects and completely ignores its possible positive roles. Total affirmation overstresses the partial rationality and overstresses its enlightening role, to the extent of artificially extolling contemporary Western philosophy as more brilliant than Marxist philosophy. It denies the basic errors of contemporary Western philosophy, denies the differences and points of antithesis between it and Marxism, and denies the negative influences which it can produce. It can be seen that complete negation or complete affirmation are subjective biased views originating at opposite poles. Seeking truth from facts and concrete analysis require that we view the dual nature of contemporary Western philosophy accurately and in an overall way.

We should recognize that for quite a long period in the past we adopted an extreme view of completely negating contemporary Western philosophy. The main reason for this situation was the influence of "leftist" guiding ideology. After the 3d Plenary Session of the 11th CPC Central Committee, following the revival and development of the party's line of seeking truth from facts, we developed the study of contemporary Western philosophy and, like the development of research into other philosophical and social sciences, it had a good political environment and initial results were achieved. Following the implementation of the policy of opening up, the number of people coming into contact with contemporary Western philosophy and related works had gradually grown. Thus, many people have already recognized that the complete negation of contemporary Western philosophy is incorrect. However, some comrades, especially younger comrades, have gone to the other extreme and completely affirmed contemporary Western philosophy. They have also taken an aversion to varying degrees to Marxism, as the complete negation of contemporary Western philosophy in the past was carried out under the name of

Marxism. They do not recognize that at that time Marxism itself was being trampled upon. In opposing complete negation and complete affirmation, it is important that from beginning to end attention be paid to using a Marxist viewpoint in looking at contemporary Western philosophy. If we are to really and effectively oppose complete negation and complete affirmation, we must from beginning to end adhere to the correct viewpoint of seeking truth from facts and carrying out concrete analysis. We certainly cannot go from one extreme to another.

In adhering to the use of a Marxist viewpoint in studying contemporary Western philosophy, we must not only look at contemporary Western philosophy in a correct way, but must also look correctly at Marxist philosophy itself. In this respect, the key lies in handling well the relationship between adherence and development. What we refer to as adherence is adherence to the basic principles and basic viewpoints of Marxist philosophy such as the materialist viewpoint, the dialectical viewpoint, the viewpoint of practice, the viewpoint of dynamic reaction, and so on. The reason these must be adhered to is that these viewpoints can never become obsolete. Future social practice can only further enrich, deepen, and prove them, and will not be able to overturn them. What is referred to as development is the use of basic Marxist principles to resolve the new situation and new problems which face us at present both internationally and domestically. At the same time, it includes new results and new materials based on natural sciences and social sciences, the epitomizing of new principles and new categories, new explanations of existing principles and the correction of outmoded manifestations of such principles, deepening and enriching existing principles, forming more well-organized systems, and so on. Therefore, development is many-sided and is also very difficult. It requires a long period of effort and it is not possible just to rely on the strength of the philosophical circles. We need to rely on the efforts of all intellectual circles. At the same time, development is carried out in society and philosophical development also requires a good social environment. In this way adherence and development are complementary and can promote each other. Only by having a base of adherence can development be real development. Only when there is the direction of development can adherence be real adherence. In the relationship between adherence and development it is necessary to oppose two types of erroneous tendency. The first is only adhering without wishing to develop. This type of adherence which does not desire development will inevitably lead to Marxist philosophy becoming outdated, ossified, and behind the times. The other tendency is the opposite one, only wishing to develop without wanting to adhere. This type of development without adherence will inevitably lead to necessary replacement, with the result that Marxist philosophy will not be Marxist philosophy. These two tendencies will be both harmful to Marxist philosophy and harmful to correctly looking at contemporary Western philosophy. Only by handling well the relationship between adherence and development will we be able to use the spirit of Marxism in looking at Marxist philosophy itself. Again, only then will we be able to look at contemporary Western philosophy in a seek-truth-from-facts and concretely analytical way.

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THE STATUS AND ROLES OF DUNHUANG STUDIES AND TURPAN STUDIES IN THE HISTORY OF CHINESE CULTURE

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[Article by Ji Xianlin [1323 5029 2651]]

[Text] The term Dunhuang studies was first used by Chen Yinke [7115 1377 1870] in the preface he wrote for Chen Yuan's [7115 0997] book "Remnants of the Dunhuang Robbery." In this, he noted: "Those who engage in Dunhuang studies have formed a new academic stream in today's world. In the 20 years since Dunhuang's discovery, scholars from various countries, ranging from Japan in the East to England in the West, have successively made their contributions to this field of study." The use of the term has continued since then. All of the documents discovered in the Dunhuang caves and everything relating to the murals and carvings in the Dunhuang grottoes are the targets of Dunhuang studies research. Thus, this is a comprehensive field of study.

The term Turpan studies is a new term. At the beginning of this century, a number of Eastern and Western so-called explorers excavated a large number of documents and artifacts at Turpan in Xinjiang. Scholars of many countries have engaged in the study of these and have obtained outstanding results. This research has been called Turpan studies and it is also a comprehensive field of study.

The reason I have chosen to introduce Dunhuang studies and Turpan studies together is that both Dunhuang and Turpan were places of importance on the Silk Road. As the Silk Road was a major artery in East-West cultural interflow, research into this aspect has become one of the disciplines attracting the attention of people around the world, and as such as of great importance. Like a red thread, this great artery linked up many places such as Kucha, Khotan and Charlik with places outside our nation's borders, showing how the people of our nation's northwest came into contact with foreign merchants, monks, foreign envoys and so on, and also how Eastern and Western culture influenced and enriched each other.

Attaching importance to the study of the culture of our nation's northwest had already become a historical trend by the latter part of the Qing Dynasty. If we were to deepen research into the culture and history of the northwest there had to be new discoveries and new materials. Wang Guowei [3769 0948

4850] said: "From ancient times, the opening of new fields of study has generally been prompted by new discoveries." (NUSHIDA XUESHU JIKAN [ACADEMIC JOURNAL OF WOMEN'S NORMAL UNIVERSITY], Vol 1, No 4) Chen Yinke also said: "The sciences of each new age must have their own new materials and new problems." (Foreword to "Remnants of the Dunhuang Robbery") The documents and artifacts discovered at Dunhuang and Turpan can be said to be the "new discoveries" and "new materials" referred to by Wang Guowei and Chen Yinke. In academic research, these discoveries are of great importance as it was these which gave rise to Dunhuang studies and Turpan studies. In 70 to 80 years of development, these new academic fields have seen daily increasing vigor and greater magnificence, and have influence in many areas. Today, regardless of whether we are speaking in terms of our nation or abroad, they have become truly illustrious fields of study. In many countries, a large number of monographs on these fields are published each year, while many universities abroad have established specialized courses in these two fields. The contents of Dunhuang studies and Turpan studies are extremely rich, and it could be said, numerous and complicated. It is very difficult to sum up their position and role in Chinese cultural history and thus we must talk about them from a number of angles.

1. The value in the study of Chinese history and geography. The new historical materials discovered in Dunhuang and Turpan (as well as in other areas of Xinjiang) have provided increased luster to China's rich historical resources and have filled in many of the blanks which before could not even be guessed at. For example, in the Tang Dynasty, the Tibetans took advantage of the An Shi rebellion to occupy Dunhuang. They remained there until the second year of the Da Zhong reign (848 A.D.) when Zhang Yichao drove the Tibetan garrison general out. When he gave his allegiance to the Tang, he was conferred with the title "Military Commander Who Has Returned To Right." Later, the Zhang's "Returned-to-Right" army and the Cao's "Returned-to-Right" army continued to rule the Dunhuang area, probably right up until 1036 when the Western Xia took Dunhuang. The Zhang and Cao families thus ruled Dunhuang for about 200 years. This period of history involved the relationship between the nationalities within China and cultural interflow between these nationalities, but none of these details have been chronicled before. Only with the assistance of the Dunhuang manuscripts were we able to clarify these matters. These artifacts and documents are also of assistance to us in understanding the political, economic, and social systems of the Tang Dynasty. The documents relating to the land system allow us to understand the details of the equal fields system. A number of population registers, taxation records, contracts, and local official's dispatches were discovered, assisting us in understanding the labor corvee and military service systems. The many documents relating to Tang laws discovered have provided a means by which to compare and confirm those Tang laws of which we already had knowledge. The water department records also recorded irrigation management rules. Many other documents have told us of the beacon system, the credit system, the lineage system, the government official system and the people's grain stores during the Tang Dynasty. Further, many social science materials have allowed us to understand the prices of goods, the value of labor and the lives of monks and nuns during the Tang Dynasty as well as the people's clothing, food, entertainment music and celebratory feasts, weddings, funerals and other such customs.

China's study of geography has a very long history. The Tang Dynasty was a period when geographical knowledge was becoming daily more detailed and in which the number of geographical works increased greatly. These phenomena were reflected in the books stored in the Dunhuang caves. Within the caves were found many geographical works which had been considered lost, for example "A Cartographic Account of Shazhou," "A Cartographic Account of Xinzhou," "An Account of the Ten Circuits of the Zhen Yuan Reign," "A Concise Account of the Names of Mountains and Rivers in All Circuits," "A Geographical Gazetteer of Shazhou and Yizhou," "An Account of Dunhuang," "The Situation of Xitian Region," "The Geographical Situation of Shouchang County," and "The Geographical Situation of Shazhou City." Even an incomplete manuscript of the famous "Great Tang Account of the Western Regions" by Xuan Zhuang was found stored in the caves. All of these geographical works are very important in the study of China's medieval historical geography.

2. Their value in the study of China's literature and art. The books discovered in the Dunhuang caves have had a greater influence on the study of Chinese literature than in any other aspect. First, there was the discovery of the "bian wen." What is referred to as "bian wen" was a type of popular literary form which combined rhymed verse and prose. Some people regard these as popular tales (there has been no consensus reached among Chinese or foreign scholars as to why these are called "bian wen"). The contents of these bian wen can be generally divided into two categories: One category is Buddhist stories, such as "Vanquishing the Demons" and "Hell." Many of those found were manuscript copies. The other category is stories from Chinese history, such as "Shun's Filial Piety" and "Wang Zhao Jun." This new literary form was actually the precursor of the popular story-telling literary form of the Song Dynasty but prior to the Dunhuang discoveries, we had not the slightest knowledge of it. Next, there was poetry. The "Song of a Qin Lady" by the celebrated literary figure Wei Zhuang, was not included in his collected works, but was discovered in the Dunhuang caves. Contained within the poetry found at Dunhuang were many historical details relating to peasant uprisings in the late Tang Dynasty, and they are of great assistance in the study of Tang history and literature. Also discovered and included within the category of popular literature were poetry, songs, vulgar ballads, novels, and so on. The lengthy narrative ballads "Dong Yong's Filial Actions," "Da Han San Nian Ji Bu Ma Zhen Ci Wen" [1129 3352 0005 1628 1323 1580 5006 7109 6101 2429] as well as "Yanzi's Poem," "Han Peng's Poem" and so on were all newly discovered materials of literary history.

Speaking of popular literature, this subject has not, in the past, received much attention from those who study Chinese literature, even to the extent of being placed outside literary history. In terms of poems and prose, our ancestors clearly realized splendid achievements and while these works cannot represent the entirety of Chinese literary history, much orthodox literature in fact developed from popular literature. The discoveries in the Dunhuang caves allow us to understand this point more clearly.

In terms of art, including murals, paintings on silk, carving, calligraphy, grotto architecture, music, dance and so on, the discoveries were rich in contents and vast in number. Materials from the Six Dynasties right up until the Song and Yuan Dynasties were discovered there. These discoveries are of great significance in the study of Chinese art and in Chinese art history. The murals in the Dunhuang grottoes as well as murals discovered at Turpan and in other parts of Xinjiang are really a treat for the eyes, each as beautiful as the others. As to their subjects, Buddhist stories dominate, but there are also secular depictions, such as paintings of Zhang Yichao going on tour. There are also many landscapes. In these pictures, many different sorts of people and activities are depicted. There is fruit-picking, tree-felling, hunting, tilling, fish-netting, water-drawing, boat-handling, animals locking horns, archery practice, pagoda repairing, cleaning, house-building, the carrying of sedan-chairs, trade, drawing things with ropes, standing on guard, harvesting, winnowing grain, bathing, swimming, slaughter-houses, milking cows, vehicles, horses, drivers, horsemen, knights, warriors, peasants, traders, ordinary people, as well as all sorts of plants and animals. From these we can see how people lived in those days. The sculpture found in the grottoes at Dunhuang and Turpan showed the influence of Gandaharan art. Also, in the murals, various musical and dancing scenes are depicted. Those showing the playing of the pipa are especially famous. In addition, many musical instruments, musical scores, and dance scores were found.

3. Their value in the study of linguistics and phonology. In the Dunhuang caves there were preserved a number of ancient fragmentary manuscripts related to Chinese linguistics and phonology, including the "Fine Selection of Character Treasures," "A Collection of Major Names in Everyday Life" and "The Thousand-Character Text" and so on. In Turpan, an incomplete fragmentary scroll of "Hastily Completed Work" by Shi You of the Western Han Dynasty was discovered. In the Dunhuang scrolls, one often comes across popular characters and popular language, the importance of which in the study of the development and evolution of Chinese characters and language cannot be equalled by any other documents. Some phonological and word-rhyme books, such as the incomplete scroll of Xuan Ying and Hui Lin's "A Phonology of the Classics," and Lu Fayan's "A Sequence of Rhymed Phonology" are of great value.

At the Dunhuang grottoes a number of minority nationality language scrolls were also discovered. Among these there were scrolls in ancient Tibetan, Sogdian, the language of the Western Xia, Khotan script, Kuchan script and Uygur. The scrolls in ancient Tibetan not only contained Tibetan materials but also ancient works which were able to supplement the Han language "Book of Documents." In the ancient nationality languages scrolls discovered in Xinjiang, there were also those in Uygur script, Tukhara script (A-Karashahr script, B-Kucha script), Sogdian script and Khotan script. The fragmentary Uygur script scrolls contain much material on political, economic, religious, philosophical, literature and art matters. Khotan script and Sogdian script are both part of the Iranian family of languages. Today, on the Pamir Plateau in our nation's Xinjiang there are still nationalities who speak languages which are part of the Iranian family of languages. The value of the Tukhara script is even more outstanding. Its discovery provides new questions for Indo-European comparative linguistics and has prompted the development of this field. The "Drama of the Meeting of the Maitreyda Buddha" in Tukhara script (A-Karashahr script) which was discovered several years ago has, like the Uygur script copy, provided new topics for research in our nation's literary history. Some of the nationality languages which no longer exist were completely unknown to us. It was only with the discovery of the Dunhuang and Turpan documents that they were again brought to light.

4. Their value in respect of the study of religious matters. Of primary importance is Buddhism. In the Tang Dynasty, Buddhism flourished in the Dunhuang region, monks and nuns constituted quite a proportion of the population and temples were numerous. The temples had their own independent economies and they had large numbers of workers. Some even provided high-interest loans. Of the books stored in the caves, Buddhist canons constituted about 95 percent. Many were manuscript copies with only a few being printed. Some even had colophons. There were some lost Buddhist scriptures, the translations of which differed from those which were previously known. The Buddhist scriptures found in the largest numbers were the "Lotus Sutra," the "Mahaprajnaparamita Sutra," the "Diamond Sutra," the "Nirvana Sutra" and the "Vimalakirti Sutra." These sutras were recited daily by the masses. These ancient printed and manuscript books have an obvious value in research into the editions of Buddhist scriptures. Also, in the caves there were discovered a large number of Daoist scriptures and canons such as "The Wonderful Scripture of the Spiritual Root of Great Abstrusiveness." Those which attracted the most attention were Lao Zi's "Dao De Jing," "Preface and Postscript to Lao Zi's Dao De Jing" and "Annotated Explanation of Lao Zi's Dao De Jing" which were annotated and explained by He Shanggong. In addition, there are also some materials showing that there was a struggle between Buddhism and Daoism. Confucian classics were found in large numbers. (Footnote 1) (Various dynasties had different ideas on whether Confucianism could be considered a religion. In the Tang Dynasty, the dynasty with which the Dunhuang scriptures were closely related, clearly some people considered Confucianism as a religion. For example, books such as "Excellent Words" by Liu Binke of the Tang Dynasty spoke of "three religions" of Confucianism, Buddhism and Daoism. Now, for the sake of convenience, it is discussed as a religion.) These included "The Canon of Filial Piety," a Northern Qi Dynasty manuscript of "The Zue Commentary on the Spring and Autumn Annals" and Tang manuscript copies of the "Gu Liang Commentary on the Spring and Autumn Annals," "The Book of Documents" and "The Analects." These were all very valuable in carrying out textual criticism of ancient works. In addition, there were found a small number of Manichean and Zoroastrian scriptures which had been completely lost and which have attracted the interests of scholars both in China and abroad. They include some important works, discussing the spread of these religions in the Middle East and in our nation's Xinjiang and hinterland, and thus help to fill in many blanks in research into the history of religions.

5. Their value in studying ancient science and technology and other fields. Apart from materials on politics, economics and social situations, there were many others which related to science and technology. In the caves were found a fragmentary "Pharmacopoiea" and medical prescriptions. There were also books on astronomical calendrical calculation, such as a calendar which included 24 seasons and involved the sun, moon and five planets. From the paper used in the manuscript books found in the caves, we can see the development of ancient Chinese paper-making, paper-dyeing and printing. Our

nation was the first to discover paper-making and, while Shen Kuoxiang of the Northern Song Dynasty recorded details of movable type, in fact carved plate printing commenced in the latter part of the Tang Dynasty. In the Dunhuang caves, there was preserved a copy of the "Prajnaparamita Sutra" printed in the ninth year of the Xiantong reign in the Tang Dynasty (868 A.D.), which is the earliest clearly dated printed matter in the world. The degree of elegance and skill of the printing technology tells us that it had already seen about 100 years of development. The layout of China's ancient books developed from a scroll format to a book form. This particular evolutionary process can be seen from the Dunhuang documents. Bamboo slips, scrolls, hinged format and mounted format books were all found. Some of the manuscript books had red or black columns, and some books already had red and black annotations. From these, we can see what types of books there were in the Tang Dynasty. In addition, there were also some silks, weights and weapons, which vividly show us the level of production at that time.

6. Their value in studying the history of Chinese-foreign cultural interflow. The existence of the Dunhuang grottoes was actually a result of Chinese-foreign cultural interflow. If there had been no Chinese-foreign cultural interflow, there would have been no Dunhuang, and it would not have been a testimony to cultural interflow. Dunhuang, Turpan and other areas in Xinjiang were the passes for East-West cultural interflow. They lay along the Silk Road and the remnants of cultural interflow, such as the grottoes, ancient temples and ancient cities can be seen everywhere. In the styles of architecture, grotto art and sculpture and the murals, everywhere one can see the influence of foreign culture as well as the vestiges of cultural contact between China and foreign countries. In the Dunhuang caves, there was discovered the "Xin [1800] Sutra" in Sanskrit and in the Turpan region, a large number of manuscript Sanskrit Buddhist sutras were discovered, as well as Sanskrit literature. For example, there are the works of the great Buddhist poet Ma Ming [7456 7686] which had long been lost in India, and the discovery filled in a blank in the history of Indian Sanskrit literature. In the Mugao grotto murals, glass containers are shown. Some Sassanian Islamic artistic style, showing that Western Asian glass utensils had already entered China. Newly discovered silk products also have Iranian-style designs. These all show the mutual influences of Eastern and Western culture. Also discovered in the Dunhuang caves was the "Account of a Journey to the Five Indian Countries" by the Silla (now Korea) monk Hui Chao. He went by sea to India and later returned overland to China through Xinjiang. His work has received a great deal of attention by the scholars who study Chinese-Western cultural interflow. There are many travel accounts by Chinese and foreign monks. Some of those which had been lost were found in Dunhuang. I also wish to mention a fragmentary Dunhuang manuscript relating to Chinese-Indian technological interflow. (See "General Index to Remaining Dunhuang Books" published by Commercial Press in 1962, p 3303) This fragmentary manuscript has only nine lines of characters which related to the methods of planting sugar-cane and of sugar manufacture. While in the past some people had noted this manuscript, none have investigated it thoroughly. Actually, it is a very important document as it shows one aspect of the scientific and technological interflow between China and India.

We know that in the world there are only four cultures which have had a long history, vast geographical spread, formed their own system and have had great influence--the Chinese, Indian, Greek and Islamic cultures. There is no fifth. These four cultures converged in only one place, China's Dunhuang and Xinjiang region. There was no other place they converged. From the many aspects I have detailed above, we can see the convergence of various cultures and their mutual influences. Seen from the history of mankind's development, the converging of cultures is able to promote the development of all cultures involved, and can raise the level of their people's material and spiritual lives. Seen from the long-range development of mankind, research into cultural convergence has even greater significance. When all mankind enters the ideal society, will it not be difficult to avoid the convergence of the cultures created by all nationalities and all nations? At present, the place with the best conditions for studying the phenomenon and patterns of such cultural convergence is, it seems to me, Dunhuang and Xinjiang.

Above, I have briefly described the great significance of the artifacts and manuscripts discovered at Dunhuang and Turpan. All of the 492 diverse large and small caves of Dunhuang have their own historical treasures. That a very small cave containing over 40,000 precious books could be found in the vast deserts and ruins of Xinjiang is certainly startling and amazing. As Chinese, seeing this wealth of cultural treasures (this is only a small portion) and seeing that our forefathers in cultural creation could give and also "take" and finally create a culture as brilliant and magnificent as this, how can we not spontaneously feel a sense of national dignity! Today, as we stress the building of spiritual civilization, this is extremely important. The contents of the building of spiritual civilization are numerous, and education in patriotism is an important aspect of it. One of the important things which can engender a sense of patriotism is seeing the brilliant successes of one's nation in the past. Thus, as we engage in Dunhuang studies and Turpan studies, the significance lies not just in the academic field. It can also play an important role in inspiring patriotic feelings and in using the past to understand the present. I think that this idea will be agreed to by all the nationalities of the country.

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CHATTING ABOUT 'ASIAN CASCADE'

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[Literary commentary by Liu Baiyu [0491 4101 5038]; "Asian Cascade" was carried in SHI YUE, No 4, 1985]

[Text] I read "Asian Cascade" by the sea in the summer. Now the cold winds are blowing and the fallen leaves are being swept about, but this singularly magical work still flames in my heart. It is not easy to find a book which you cannot forget and which you want to read again. Of the works written by Zhu Chunyu [2612 2504 7183], "Green Shade in a Sea of Sand" and "Asian Cascade" both hold this attraction for me. I believe that these works show two different stages of the author on the literary road: If we say that "Green Shade" is like a fresh wind blowing into the open fields of the heart, then "Asian Cascade" forcefully and imposingly shakes people's souls. For Zhu Chunyu, "Asian Cascade" is a key step in terms of experience and maturity, not only on the literary level but also on a personal level. My general impression is that "Asian Cascade" is a work which condenses the great soul of the Chinese nation, and which is a brilliant star which has risen on the military literature front.

I

The first short section of "Asian Cascade" reads: "In the great land of Asia, this cascade has been blocked for many, many years...a cascade is not congealed mud and is not stagnant water."

This really deserves pondering and deep thought.

With outstanding ideas and artistic boldness, the author unfolds a vast scroll from the past to the present, from the dark to the light and from the sorrowful to the elated. The cascade of the Chinese nation, which has been blocked, finally flows again, falling, glinting with a dazzling brightness and providing a great momentum. The author, in a comment, reminds us "Not everything which flows like a cascade is water...." True, it is not water, it is people's destiny, the nation's destiny, the state's destiny and, it can even be said, it relates to mankind's destiny.

Literature mainly explains ideological intention through images. "Asian Cascade" is about the counterattack in self-defense on Vietnam, but the author does not stop at describing the fighting at close quarters on the battlefront. Rather, he gives the battle (that is, each of the people in the battle) a deeper meaning. Analyzed from this angle, the ancient spiritual strength of the entire Chinese nation is depicted in the Naxi nationality through Grandpa Mu Jiuxuan, while the modern spiritual strength of the entire Chinese nation is depicted in the No 6 Thunder and Lightning Observation Post through Tao Ran. The work thereby raises the war to a high level of noble morality. This new creation on the artistic front greatly enriches military literature. You cannot take the Naxi nationality song which winds in and out of the work as an ordinary ballad. No, from the start the author says: This is a song which praises sunshine, which praises love, which praises creation and which praises heroes. For a song such as this, "there is a need to use one's soul to listen. Can you hear the great pulse within the song? That is the sound of seeking, of ideals and of yearning, drumbeats which will not diminish, a clarion call which will be everlasting." "It has become a sacred, national and most basic psychological need." The No 6 Thunder and Lightning Observation Post takes the great breadth of mind of a nation and pushes it into the present. A modern woman throws herself into an arduous undertaking and explores the profound mysteries of nature "in order to create life and even to create the elements," "to resolve the enigma of thunder and lightning." There is no doubt that if we cut these two aspects apart and were to nakedly expose the contradiction occurring on the battlefield, the work would lack spirit and would be frail, weak, and feeble. The work "Asian Cascade" has opened a new road and stands by itself. It is precisely in this respect that the work has its strengths and surpasses others. The Naxi song and the exploration of the thunder and lightning post symbolizes the souls of the people on the battlefield. At the same time, does not this national spirit inhabit the bodies, minds and deep souls of men, and leap therefrom? When today we speak of national spirit, it is a spiritual strength formed through the combination of communist ideals and practice, and is also the spirit of the times of the four modernizations. In this sense, every fighter when engaged in a life-and-death battle, is an embodiment of this national spirit. The author puts each person (along with his sadness and joys) on the scales of national spirit and weighs and assesses them.

We have long held that in writing about war, we cannot just write about the course of struggle. Rather, we need to write about people, about people's innermost being, about people's destiny and about contradictions and the joys and sorrows of life. Thereby, it will be possible to explore the source and nature of revolutionary heroism. We also hold that in manifesting the Chinese nation's great soul, we should draw from artistic sources, the strengths of epics and tragedies, and create works which have great spiritual power. It is very clear that this breaks clear of the "leftist" model and the "theory of no conflict," liberates the mind and proceeds from living reality, thereby opening up a real, wide road of revolutionary realism.

"Asian Cascade," in its pulsing description of a nearby area, is imbued with a strong sense of history, of immediacy, and of human feelings. From this concentrated artistry, we can observe the entirety of a great nation. In facing a great goal, it is seeking hope ideals, and brightness. Of course, the war here is not only intimately related with this entirety. More importantly, the prominent and guiding position of war is thus raised. That is to say, in its significance and value, it is not a simple, dull repetition of the war, but a creation rich in noble ideas and artistic vitality. This is because only by having a contingent with the moral excellence of both the ancient nation and the modern nation can this become a heroic banner of justice and glory which waves about the battlefield.

II

The crux of a literary work is in its depiction of people and the issue is not only what to write, but how to write it. Successful literary works all portray people in the sharpness of contradictions. The characters in "Asian Cascade" are developed in the sharp contradictions between the upper and lower levels, one of which wishes to adhere to the operational plans already set and the other which wants to change these plans.

In the battle of Que Men Jing, the divisional commander, Gu Zhanjiang, ordered the 6th Company to thrust deep across the front. After battle was joined, facts showed that the divisional commander's decision was incorrect. The commander of the 6th Company, Chen Longhua, promptly and firmly decided to change the route and thereby victoriously completed the deep-thrust task. Gu Zhanjiang took the credit for the Que Men Jing victory, but he could not tolerate those actions which had been taken in contravention of his orders. Thus the whole of the 6th Company had to go without citation. This caused a commotion among the 6th Company and this was directly made known to the military region, because achieving merit and not being cited affected not only the honor of the soldiers, but also the affirmation or negation of the basic facts of the attainment of victory (including the sacrifice of blood and quite a few valuable lives). Thus, the wrangling between the two sides touched off a great disturbance. From the start, in handling the character of Gu Zhanjiang, the author has not followed the old road of exaggeratedly good people and bad people, and does not depict him as an out-and-out bad character because he stands on the wrong side of truth. He is a remarkable commander, not a schemer. Rather, his selfish desires dominated and, although he knew he was doing wrong, he was headstrong. It is because of such artistic representations that the innermost activities of the characters are so complex. In the wake of this subtle thread of contradictions, the circumstances of the surrounding characters also become more complex.

The author uses bold strokes to vividly depict the soldiers of the 6th Company. At the start, he depicts them as naked, holy angels washing in a cascade. This watercolor, which has a distinctive hue and which simply brims with the vitality of youth, is the author's ode of heartfelt love and esteem for the soldiers. Later, as the story slowly develops, there emerges a special sentiment in the specific environment. In the conflict which arises out of the main contradiction, each individual character also experiences his own conflict due to contradiction. What is worth noting is that, artistically, Zhu Chunyu on the one hand paints in thick strokes and on the other hand draws with great precision. In depicting characters, he does not paint the contradictory conflicts openly. Rather, he ingeniously and in a thoroughgoing way picks details by which to manifest a touching sense of beauty in terms of human nature, human relationships, ethics and morality. He also shows the deep scars produced by disappointments in life both in the past and at present, and then uses these details to beat out a ringing sound from the souls of the characters. In this way, a soul-stirring reaction is evoked in each person's psychology and actions. From the multitude of complicated, confused things, there appears a blazing spirit of revolutionary heroism, producing a touching fascination, where the secret is: Who is going to open his heart to let you see in? Chen Longhua, commander of the 6th Company, has hidden in his heart the sad smile when his wife left, while on the firing line he displays the firm decisiveness of a commander. The empathy and affection between the deputy company commander, Jin Guoqing, and the village's female teacher, Peng Dai, as well as inducing the bursting forth of their youthful spirit, also causes them to forget our spirit of struggle. Gu Jincai, whose refusal to play up to those in power shows in his disposition of "defying superiors," still lets out an almighty howl which shatters heaven and shakes the earth when Fan Sanjin and Chen Longhua are killed. The commander, Xie Yubao, who sees even a guitar and talcum powder as foreign objects, still becomes one with the soldiers on the scorched earth which had been plowed by artillery fire and which ran red with blood and, although wounded, continues to direct the battle, fulfilling his mission as a pure person. Among the masses of portraits, I particularly wish to talk about Fan Sanjin and Shi Erwang, two characters who are depicted in a very vivid and subtle way.

Fan Sanjin is a strict soldier. The author writes: "The 6th Squad commander was one of the four well-known strict commanders. This was shown by a jingle: Keeping guard on the doors and windows of the jail, the military factory and the bridal chamber are all posts filled by Fan Sanjin." But, like many soldiers who keep a small dog or small bird, Fan Sanjin also kept a pet dog, and from this, we can see his love of life. This was him--just at the critical juncture when sparks were leaping to the skies and the ground was shaking, suddenly he found that his money pouch which he kept in his pocket was missing. Yan Jincai reprimanded him, saying: "What a time to be thinking about your money pouch! You must have money-grubbers' fever!" Fan Sanjin said: "It contains subsidies for the whole squad. It is not mine!" Such a resounding reply--"It is not mine!" Just as Fan Sanjin found his pouch, there was a burst of bullets and "just like a small bird which had crossed a canyon, he sank without a sound into the abyss...." When Gu Jincai sought him, all he found on the black flagstone was the money pouch covered with blood and dotted thickly with ants. Such a brilliant disposition, such a brilliant life, such a noble character, such a brilliant spiritual style! He gave his life for the country and for the people. With a heaven-splitting scream, Gu Jincai yelled: "Squad Commander...." He hugged that great black stone as if he was hugging Fan Sanjin himself. All of the men of the 6th Squad came. They took their cans of fruit juice which they were unwilling to drink even though they were parched with thirst, and smashed them onto the black stone as a sacrificial ceremony for their squad commander. It is so touching, as the feeling of tragedy melds together with the spirit of epic heroism, thereby purifying the realm of just struggle. In this, there is sorrow, but it is not pitiful sorrow, but is instead a lofty sentiment. In his sadness, Gu Jincai stepped forward bravely and took the place of the squad commander in directing the fighting. Was not the excellence of Jincai's nature a shadow cast by the excellence of Fan Sanjin's nature?

Shi Erwang was a different sort of person. Special destinies produce special people. He had been taken prisoner in battle and endured the great misfortunes of history, thereby becoming deformed. When I read to the point where he was returning after going to the station to meet the company commander's wife, and this deformed person was carrying the baby on his back and tears flowed from his eyes, for some reason I thought of the bell-ringer in Hugo's "Notre Dame de Paris"--Quasimodo. Like a painter who is good at depicting the refraction of light, Zhu Chunyu in "Green Shade" successfully depicted Shen Qiao, who had a hideous appearance, but a beautiful spirit. Now, in Shi Erwang he shows his skills more strongly. In this dull-witted, distorted body, there was a deep feeling like that of Wang Qingshui. He loved his unit, he loved his fellow soldiers and he loved the motherland. He used all the pocket-money which people gave him to buy talcum powder, and divided this among the soldiers, so they could use it to avoid the unbearable discomforts inevitable when serving in tropical jungles. This showed what a good heart he had! Because he was not officially on the roll of the 6th Company, and could not go to the firing line, the deputy company commander, Jin Guoqing, put Shi Erwang under the charge of Tao Ran. Thus Shi Erwang was lucky in his posts. In exploring the mysteries of the universe and in his Promethean-style work of bringing benefit to mankind, he was "not stupid and, after training by Tao Ran, could even do much skilled, specialized work within the office and in the field." Who would have thought that on a windy and rainy night, "suddenly a great flash ripped through the darkness and there was a terrific shaking several times. There was an unstoppable rumbling roar and from the boundless depths of space, from outside the world there came a great surge, like a slicing knife, like the force of a landslide." Shi Erwang remained absolutely still, loyal in his post and was struck down by lightning on the observation post. His life was marked by an observation record which the world would never receive. True, in the great period of realizing socialist modernization, all exploration, discovery and creation will meet many difficult obstacles. It may also require blood. This time, it was Shi Erwang who died. In handling this, the author is so profound and shows such deep feeling!

The creative success in the artistic images of Fan Sanjin and Shi Erwang provides a powerful strength by which the work is pushed to its high point.

Here there is a small section:

"Da-da, da-da, the sounds of horses' hooves. Ding, ding, the sound of horse bells. The Naxi singer Grandpa Mu Jiuxuan comes on his horse to help.

"How much wisdom do the months and years give people?

"What price do the months and years demand?

"Grandpa Mu Jiuxuan sings a song, sings the song of his forefathers."

It is not Mu Jiuxuan. It is the author singing of two sacrifices through the mouth of Grandpa Mu Jiuxuan, expressing his appreciation to them for what they had contributed to the historical development of mankind.

Mu Jiuxuan is portrayed as very lovable and Tao Ran is also well depicted. When compared with these vivid images, it must be regretted that Chen Longhua, who is the positive side of the major contradictory thread, is not portrayed in a forceful way. If he was depicted better, the work would have had a more forceful effect. This poses a problem in the creation of military literature. In "Wreaths at the Foot of the Mountain," Xue Kaihua who has command abilities is not well portrayed and here Chen Longhua, who has leading abilities, is likewise not portrayed successfully. This shows that the depiction of "modern heroes," and especially positive heroic figures, requires a new breakthrough. However, as an artistic whole, "Asian Cascade" is like a towering and verdant holy mountain. The spiritual echoes between its characters are very closely linked and the achievements of its characters are spectacular. Regardless of the number of tribulations, hardships, tears, calls of distress, injustices and even crimes, the great untrammelled cascade is the work's major part. It stimulates seething activity and inspires the strengths of popular feeling.

III

In Zhu Chunyu's "Green Shade," below the title was the inscription "A Chapter on Morality." In "Asian Cascade," he deepens his exploration of morality. He has explored from the deserts of the north to the southern subtropical rain forests. On this road, the author is an ascetic trekker. Morality is a force by which man is ennobled, by which he realizes his ideals and by which he is enlightened. Here, if we dig down to the real topic of the work, down to the real vitality, the real soul, we find that it is "Asian Cascade's" moral denunciation and moral purification.

The heroic company commander, Chen Longhua, had stepped on mines three times, but had not been killed, and met his death only when investigating a situation on Gu Zhanjiang's orders. The author writes: "This remarkable person who had thrice stepped on mines and not been wounded, this lower level military officer who had an ancient wary nature and independent opinions, did not die in an exchange with the enemy, but died complying with the wishes of the divisional commander...." This death is a serious moral denunciation of Gu Zhanjiang, a serious moral denunciation of the many erroneous trends in the party and in the reforms which must be corrected! True, the whip of denunciation is firmly wielded on the heart of Gu Zhanjiang and lashes it until it bleeds. However, the author does not simply push Gu Zhanjiang into a blind alley of morality, but instead has his conscience awakened by the condensed moral strength of the nation and the condensed moral strength of the soldiers.

In the work, one often comes across the "cascade"--"the cascade which, as a force, cannot be blocked," "this Asian cascade" and so on. These sparkling things are all moral forces which can awaken the unhearing and raise the dead.

Thus, when Gu Zhanjiang throws himself into the cascade, he does away with his masks and costumes and returns to purity, at one with the naked masses. He throws himself into the pure spray and from standing above the masses, he dissolves within the masses.

If we say that Gu Zhanjiang moved from moral denunciation to moral purification, then Shi Erwang's fate played a strong role in that moral denunciation. The author wrote as follows: "Shi Erwang, this child of the earth, has returned to the earth. His youth, his life, and his character were solidified and fixed by lightning, a force which man cannot at present control. He proved himself fully as a son of the Chinese nation." True, Shi Erwang was morally pure and, with a pen as sharp as a knife, the author asks what caused Shi Erwang to suffer such a painful end. Is this not moral denunciation? Those people who engage in improper practices and walk improper roads should bear in mind this moral denunciation of Shi Erwang. We must build the four modernizations and we must progress. This requires that we shovel away all material and spiritual obstacles and filth. Thus, we need to carry out deep and thoroughgoing reforms and, within the units, we must study how to modernize military command and management strengths. This is a pressing task of reform. There is no absolute purity in the world, and reforms cannot be carried out in a vacuum. New social organisms can sometimes be contaminated by poisonous bacteria. But with the illumination of the party we can cure all sicknesses and bring back a strong, healthy physique. This is the deep and great significance of building socialist material and spiritual civilization. In terms of ideology and art, this can be used as a great critical strength in respect of revolutionary romanticism.

The function of literary works is to rouse people, to inspire people, and to purify people.

I believe that the two threads that are Gu Zhanjiang and Shi Erwang end when Gu Zhanjiang saves Tao Ran, who has been rushing about to make arrangements for Shi Erwang's funeral and falls unconscious in the rain. Here is depicted the great power of morality:

"He used his powerful arms to support Tao Ran. Standing in the rain, standing on the firm earth....Oh, firm earth you are our soul!"

You did not think that Gu Zhanjiang, who had cleansed himself under the cascade of purity would at this time have such a heavy moral burden in respect of his opponent in his hands and the deceased. True, this is the force of moral denunciation and moral purification fused together. Where this force will push Gu Zhanjiang is left for the reader to consider. However, the final sentence of the work, "Listen, listen, in this world, the sound of guns has not yet ended...."--this is not without significance. War is a road on which to cast and forge souls. Only when such a road stretches before the feet of the sons of the land will they be able to walk the road they should. The overall significance of "Asian Cascade" is that it describes the noble ideals and great goals that all lives have been oriented toward in the great river of history, and urges progress toward them.

Of course, "Asian Cascade" is not without faults. For example, some plots do not correspond with the realities of life in war, the reality is affected; as there is excessive philosophical preaching and flaunting of knowledge, the structural tightness is affected; there is inappropriate use of poems and flowery language, which weakens the power of real-life simplicity to move people; the use of teasing details and wording lowers the spirit and quality of modern soldiers.... Perhaps I am being too harsh. However, "the flaws cannot obscure the jade and the jade cannot hide the flaws," and these points should be given some thought.

As military literature, "Asian Cascade" brings fresh news and stresses the important responsibilities in building spiritual civilization. The main task of our socialist literature is to stimulate the people's spirit of deeply loving the motherland, doing their best for the country and throwing themselves into the motherland's socialist modernization. In spreading patriotism and revolutionary heroism, military literature has an unshirkable holy task. If we wish military literature to travel a wider, healthier road of development, then we must uphold the four basic principles and firmly proceed along the road of socialist literature. We cannot return to the old "leftist" road. Within a certain scope, the "leftist" force is still very great. If we follow the same old disastrous road and, in accordance with "the theory of no conflict" standardize things, make things accord with formulas, and write in generalities, then there will be no road to follow and it will be found that no one is willing to read such literature. At the same time, while encouraging opening up and exploration, we must also pay attention to avoiding the influences of decadent feudal and capitalist thought, and avoiding the road of bourgeois freedoms. If we do not do this, it will result in errors which violate reality and standards which are not really high. Only by firmly implementing the party's literature and art line, principles and policies, by strengthening the sense of social responsibility and by studying Marxism-Leninism will we be able to create works with a higher ideological and artistic level. At present, in facing the new times of great changes every day, on the road of reform there will be an endless number of new people and new matters appearing. We need to put forward in a new way and in a way which stresses focal points, things which accord with the new times and the new masses. We should be filled with zeal and stretch out our arms to warmly embrace the modern heroes. We should love them, understand them, and depict them. In this way, our military literature can become more prosperous and flourishing and become a literature which can really ignite the flame of ideals and lead people to struggle forward.

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Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 38-39

[Article by Jiang Xia [3068 7209]]

[Text] Of the 24 hours in a day, 8 hours are people's working hours or hours for labor. If 7 or 8 hours are for sleeping, then 8 or 9 hours are left. Except for those who like to idle away their time, these 8 or 9 hours can be valuable and include caring for and teaching children, visiting relatives and friends, learning more and studying, participating in cultural and recreational activities, engaging in various kinds of activities, and so on.

Marx and Engels, under different conditions and at various times, both called this portion of people's time "leisure hours," or "free hours" or "spare time for free disposal." They said: "Only by the large industries greatly heightening their productive forces is it possible, without exception, to divide labor among the constituent members of society, thereby greatly shortening the working time of each and every individual and giving all people sufficient free time to take part in discussions on social theories and in genuine public affairs and activities." ("Collected Works of Marx and Engels," Vol 20, p 198) "Viewed from society as a whole, creation of time available for free disposal is equivalent to creating time for scientific and literatry pursuits and other activities." (Ibid., Vol 46, p 381) "Under the conditions of a rational division of work being enforced among all people," it is possible "for each and every person to have sufficient time to receive all the truly valuable things of the legacy of history; namely, culture in its various forms of science, art, and social intercourse." (Ibid., Vol 18, p 246) In their opinion, leisure is the necessary condition for the harmonious development of character and the overall development of talent. There is indeed no other better way to more clearly and outstandingly describe the important significance of leisure.

However, an acute problem now arises. This is that outside of the other uses of free time, at least 50 percent of these 8 or 9 hours are taken up by housekeeping. According to a survey done in 1984 by an office of JILIN RIBAO covering the work of 43 male and female workers of a unit directly subordinate to the Jilin Provincial Government, the average time spent each day by these workers on housekeeping was 5.38 hours, of which the time spent by the male workers was 4.25 hours and that by the female workers 5.43 hours (these families had had homes with heating and gas). In 1984, a survey done by the Tianjin Municipality Women's Federation produced results more or less the same as those of the Jilin survey. Too heavy a burden of housekeeping will greatly disrupt the work and studies of the broad masses of staff members and workers.

Too much energy spent on housekeeping directly affects efficiency in social production and work. Too heavy a burden of housekeeping frequently affects unity and harmony at home. It is estimated by statistics that of every 100 divorce cases in Beijing, the uneven distribution of housekeeping duties is the main cause. Complex housekeeping duties may also conflict with people's activities. Housekeeping work must be done, and if it is not completed, doing research work, acquiring supplementary knowledge, and taking part in social activities will all be hindered. Some middle-aged people, in order to burn the candle at both ends, have to reduce their time spent sleeping or increase the intensity of work, thus constantly overexerting themselves, damaging their health, and sometimes causing a breakdown through overwork.

Under such conditions, from society's standpoint, it is necessary to think of some way to help people to gradually reduce the time spent on housekeeping. There are only three solutions: 1) Develop modernized household equipment and facilities. With regard to this, for the time being, due to the limitations of the level of the social productive forces and the people's economic conditions, it can only be adopted in part. 2) Develop ready-to-serve food. This method has already had definite effects, but it is still necessary to make further efforts to improve the quality of the foods in regard to nutrition, sanitation, and real benefits, so that it is more readily acceptable to more families. 3) Develop outside help in the rendering of housekeeping services. This measure is especially important at present, because it is capable of broadly solving the problem. At the end of the 1950's and the beginning of the 1960's, street residents' committees of many cities and towns, and even some organization units operated service units which were simple and plain, suited to reality, and welcomed by many families, particularly those of working couples. Unfortunately, this kind of service work was disrupted during the 10 years of internal disturbances. In recent years, although these services have been gradually restored, there are still other problems such as the organization units not being sufficient in number, the services rendered not being up to standard, and the units themselves not being well organized, or being far from meeting the people's pressing needs. At present, it is necessary to strengthen the social service work regarding housekeeping services. In the development of tertiary industry, this should never be overlooked.

Some time ago I and several comrades visited Zhengzhuangzi Street and Zhenzhuangzi Street of Tianjin's Hedong District to find out how they were rendering housekeeping services. We found them doing meticulous work and really providing experiences for those living on streets and roads of other cities to learn from. First of all, they set up a service network. All the 15 residents' committees of Zhengzhuangzi Street set up service stations for housekeeping work. As for Zhenzhuangzi Street, the whole street operated a people's service station, with all of its 21 subordinate residents' committees having their own service stations, and down the line there being small service units to serve the populace. Furthermore, their services were all "suited to the local conditions, flexible and convenient, small in nature but diversified in operations, and relatively inexpensive for the services rendered" (this being in reality their overall guideline). For example, the services of Zhengzhuangzi Street were found to include the following: 1) Delivering milk to households; 2) attending to servicing gas supply; 3) selling main dishes and semiprepared food for lunch; 4) operating breakfast stands (with food served within 5 minutes after ordering); 5) operating weekend small service stands (doing repair services); 6) hair-cutting for the elderly, sick people, and disabled persons at home; 7) running small nursery services (charges on an hourly basis); 8) doing laundry work (including dismantling curtains, washing, sewing, and mending work for staff members and workers); 9) buying food on others' behalf; 10) looking after elderly people and sick people on a monthly basis; 11) storing and delivering coal; 12) running baths; 13) bicycle storage; 14) renting household tools; and 15) doing wallpapering. The services of Zhenzhuangzi Street were even more numerous, with some 220 services offered in the second half year of 1984. In addition, four minor services were specially offered: a minor water station (households which cook meals at home are commissioned to supply hot water to working couples who do not do any cooking after work; they send hot water bottles to working couples prior to their going to work, take them back upon their return from work, and levy a charge of 2 cents per bottle); a minor kitchen range service (the station keeps a number of ready-to-use iron kitchen ranges; households may borrow them for use and if they provide their own firewood, no charge will be made, but if firewood is supplied by the station, a charge of 5 cents each time will be made); minor maintenance and repair services (the station organizes retired technicians to do watch repairs, repairs of iron tools, and so forth, for the residents); and minor nursery services (the station assists those households having special difficulties in finding suitable nursery facilities to find help from nearby places to look after their children, at a monthly fee of 15 to 20 yuan).

More importantly, it is worth noting that if the services are purely without compensation, then there is hardly any possibility of their success, but if the charges are too high, people will be kept away and there will be no way to offer the services. These two streets in Tianjin have paid due notice to these points. They allow people rendering these kinds of services to do multiple jobs. By so doing, although the charge per item of work is low, on the whole, the gross income which an individual can earn from a number of jobs can very well match the formal wages of a full-time worker. In reality, this method is the integration of compensatory and free services. It is economic benefits on the one hand and the needs of the masses on the other. But if the spirit of serving the people is lacking, these services can hardly be offered since they are bothersome and inexpensive. This is particularly true when good money can be earned from other trades. Hence, it must be said that their spirit in this respect is extremely commendable.

It appears that the key for further consolidating and developing housekeeping services lies in elevating the thought and understanding of the party and political leadership cadres of districts and streets in cities and towns.

(Labor unions and women's federations also have a close relationship with this type of work.) We must help them to understand that performing a good job in housekeeping services and allowing the broad masses of staff members and workers to concentrate their energy on better carrying out their work and rationally using their free time to improve their scientific and cultural level and enriching their own spiritual life have an important and far-reaching significance in establishing the two socialist civilizations. In their capacity as leadership cadres, they are duty-bound to grasp this work well, leading it to follow a correct orientation (for example, never taking the road of "doing anything provided it can earn money," but taking the road of sharing the people's difficult problems and worries). In addition, they must go deep into investigation and research work, helping to sum up experiences, find out the concrete methods to perform a good job in rendering housekeeping services, and both materially and spiritually provide staunch support to these enterprises. If only the relevant leadership cadres can proceed in this way, this work of rendering services, which involves only trifles but has an important significance, will certainly be capable of attaining large proportions and better development.

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WHAT IS ECONOMIC LEGISLATION AND WHY IS IT NECESSARY TO STRENGTHEN IT?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 40-41

[Article by Chen Yunsheng [7115 7189 3932]]

[Text] Economic legislation is the process whereby state legislative organs and other relevant departments and organs collect together and centralize the common wishes of the various races of people of the whole country, pertaining to the development of the national economy, and, in accordance with socialist principles and the needs of social development, fix and put in legal form economic procedures beneficial to the state, to social development and to the relations between the rights and obligations of socioeconomic organs and people in their economic activities. This enables them to have the effect of being uniformly observed by the whole society and thus effectively protects the development of the state's economic enterprises.

The content of economic legislation is extensive and complex. The objects understood to be within the scope of economic legislation and subjected to its regulations include all such phases as the national economic plan; capital construction management; financial and currency management; industrial and commercial management; taxation management; materials resources management; communications and transportation management; management of the various trades of agriculture, forestry, animal husbandry, sideline production and fisheries; management, protection and opening up of natural resources; environmental protection; labor wages management; social welfare; social insurance; rewards for inventions; opening up and utilization of science and technology; foreign trade management; population economic management; management of talents; and so forth. Moreover, it is related to the various stages of the national economy such as production, exchange, distribution and consumption. It embraces not only full-scale macro-management exercised by the state and the economic and administrative departments over the national economy, but also the micro-management exercised by the management departments of various socioeconomic organizations over the economic activities of their own organizations. It is related on the one hand to the vertical economic relations between the higher and lower levels of the socioeconomic organizations and, on the other hand, to the horizontal economic relations between the various socioeconomic organizations and people, and also to economic relations with foreign countries.

In recent years, our country's economic legislation work has achieved big results and has played an important promotional role in socialist economic construction. However, our country's economic legislation is still far from catching up with the needs of socialist modernized economic construction. In particular, certain important economic statutes related to economic construction in its entirety have still not been formulated. These include planning law; industry law; company law; agriculture law; land law; commercial law; capital construction law; banking law; commodity price law; foreign trade law; resources law; communications and transportation law; labor law; and so on. They all urgently need to be formulated.

Developing the national economy is an important and complex social activity. To develop the national economy speedily, safely and in a coordinated manner, scientific management must be enforced but the basic demands of scientific management are legalizing and systematizing. If there are no laws to rely on and no statutes to follow, then it is very difficult to control economic enterprises and economic affairs well. In our country, law is the manifestation of the state's wishes and the people's wishes. It prescribes the rules governing man's acts and determines, under specially fixed conditions, what people may do, must do, and must not do. In other words, it stipulates the rights people enjoy and the obligations they must perform according to law, thereby prescribing people's acts in society and regulating people's reciprocal relations to each other in social life. As a social standard, law possesses the special features of being universal, stable and compulsory. In particular, its nature of compulsion is not found in other social standards or norms. The role of economic legislation is found in its possession of the general attribute of law. Speaking about the universal nature of economic legislation, once society's economic management activities are uplifted to an economic legislative standard, then it must be observed by the whole society and no organ or individual can be exempted. This is to say, the whole society must then actively and correctly handle the relationship between the rights and obligations in the economic relations between economic organs and people as prescribed by the economic statutes, thus maintaining and developing normal economic order and protecting and facilitating the development of the national economy. As for the stability character of economic legislation, development of the national economy as a kind of social activity requires society to make a concerted effort at coordination and this necessarily demands the establishment of relatively stable economic order and stable relations between power and obligation. If perfect economic legislation is lacking, then this will naturally bring about constant change in the economic order and in the relationship between power and obligation and cause setbacks and losses in economic construction. This point has been amply proved by experience on the pro and con sides in our country's 30 years of economic construction. The character of compulsion in economic legislation plays an especially important role in protecting and developing economic enterprises. Only through economic regulations clearly stipulating acts that are banned in the economic activities of socioeconomic organs and people, and also stipulating their legal responsibilities for failing, or refusing, to perform the obligations prescribed by the economic statutes, as well as the measures of punishment therefor, is it possible to effectively maintain normal economic activities and to facilitate the healthy and smooth development of economic enterprises.

The importance of economic legislation has been recognized by many countries of the world. Despite differences in the social systems of these countries and also differences in the basic purposes of their economic enterprises, by ceaselessly perfecting their economic legislation they have protected and facilitated the development of their economic enterprises. These are successful experiences with a universal character and we may gain much beneficial enlightenment from them. For the sake of developing our country's economic enterprises and triumphantly realizing the gigantic objective of socialist modernization, we must highly regard and strengthen economic legislation.

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WHY IS IT NECESSARY TO INTEGRATE THE DEVELOPMENT OF THE EASTERN REGION WITH THE OPENING UP OF THE CENTRAL AND WESTERN ONES?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 41-42

[Article by Chen Dongsheng [7115 2767 3932]]

[Text] Economic development in the various regions of our country is extremely imbalanced. Viewed from the existing economic and technological development level and the majority of the economic benefit targets, from east to the west in our country may be clearly demarcated into three tiers, or, three large zones. These are: the eastern region along the coast where the economic and technological development level is relatively high; the central region in the interior where economic and technological development ranks next; and the western region which is economically undeveloped and awaits opening up. If we analyze the conditions for development of the productive forces and the principal factors, and viewed from the existing fixed assets, basic facilities, and conditions such as intellect, technology, operation and management and dissemination of information, then in general, the east is higher and the west is lower and from east to the west the grading gets progressively lower. From the standpoint of natural resources such as mineral deposits, water power and land, the west in general is plentiful, and the east is poor and from east to the west the grading in this respect gets progressively higher.

The basic guiding ideas of economic layout of the regions in our country are the correct handling of the relations between the three zones of the east, central and west; fully displaying the superiorities of each of the three zones; further developing the horizontal economic relations between them; and doing a good job of integrating the development of the eastern region and the opening up of the central and western regions, so as to invigorate the whole economy and enrich the whole people.

The necessity to integrate development of the eastern region with the opening up of the central and western regions is first of all determined by the nature of the socialist system. In capitalist countries, the economic growth of a region is frequently the price paid for the economic stagnation, disruption, or failure of certain other regions. Socialist countries must and can simultaneously attend to the interests of various types of regions so that one region, while achieving self-development, can simultaneously lead and promote the development of other regions. In our country, development of the eastern region was earlier historically, and its existing economic and technological level is comparatively high. In comparison, the economic and technological level of the central and western regions is low and, in particular in the western region which is the principal region of abode for our country's minority races, some of the places are considerably behind in economic and cultural development. The eastern region is duty-bound to consider the organic integration of its own development with the opening up of the central and western regions and help the latter to develop. Only by so doing is it possible to realize the invigoration of the national economy and make the whole people affluent, to further strengthen the great unity of the various races and to consolidate border defense.

Next, the three economic zones of the eastern, central and western parts of our country vary greatly from each other in respect of their superior and inferior points in conditions for economic development. This also determines that the development of the eastern region must be integrated with the opening up of the central and western regions. The level of economic development of the eastern region is relatively high. In this region, the level of capital funds, technology, operation and management and the conditions for foreign economic and technological cooperation are all relatively superior to the central and western regions. However, the region lacks energy resources and various kinds of raw materials while the central and western regions precisely have the upper hand in this respect. The strong points of the eastern region are the weaknesses of the central and western regions and the superiorities of the central and western regions are precisely the inferiorities of the eastern region. This objective condition determines that integration of the development of the eastern region with the opening up of the central and western regions can bring about the benefits of learning from the strong points of others to offset one's weaknesses; realizing mutual compensation in superiority; obtaining good macroeconomic benefits; and forming strong social productive forces. At present, the energy resources and many of the raw materials consumed in the eastern region come from the central and western regions, and in order to increase the supply of energy and raw materials to satisfy the needs of the eastern region's further development from now on, it is also necessary to integrate well the development of the eastern region with the opening up of the central and western regions. Viewed from the standpoint of foreign relations, the eastern region is the main window of our country's economic trade and technological exchange with foreign countries and, in fact, is the main export base. With its economy being mainly externally oriented, its face must be toward the world and it must develop international markets. The stronger its radiating power to the outside, the more urgent is its demand for the backing and support of the central and western regions. Only through developing the eastern region simultaneously with vigorously opening up the central and western regions is it possible for the eastern region to procure an endless supply of raw materials and primary products from the central and western regions; subject the products to concentrated and intensive processing for export; increase their competitive power in international markets; and continuously increase the volume of its export trade. Hence, viewed from the standpoint of the window and the interior, it is also necessary to demand that the development of the eastern region and opening up of the central and western regions be integrated well.

Third, integration of the development of the eastern region with opening up of the central and western regions is also needed for the realization of the long-range objectives of the struggle for our socialist modernization. To ensure the quadrupling of the gross output value of industry and agriculture in our country, during the Seventh 5-Year Plan period and the 1990's, the state will devote great efforts to speeding up the development of the eastern region, so as to make full use of its economic and technological superiority. Following the quadrupling of the gross output value of industry and agriculture, the people's standard of living will attain a fairly well-to-do level but this is only the first step in our country's modernization program. In order that in the 2020's of the next century, our country will reach the level of a medium-grade developed country, and in the middle of the next century become the world's first-rank, prosperous, wealthy and modernized powerful socialist country, it is necessary to open up on a large scale the central and western regions which cover a wide territory and possess extremely plentiful resources of various kinds. The opening up of the central and western regions cannot wait mechanically for full completion of eastern region construction before any work is undertaken. Rather, we must actively take up the job simultaneously with speeding up the development of the eastern region. Concretely speaking, during this century, the major energy and raw materials construction projects will be in the central region, while the western region will vigorously grasp the region's own agriculture, forestry, animal husbandry, communications and transport, and open up its plentiful resources of various categories which are urgently needed by the state; appropriately develop certain processing industries and those industries producing goods specially needed by the minority races; and, working from various sides, make full and good preparations for shifting the major projects to the western region toward the end of this century and in the early part of the next century.

After the 3d Plenary Session of the 11th CPC Central Committee, due to the enforcement of the policy of invigorating the national economy and opening to the outside world, between the three economic zones of the eastern, central and western regions the horizontal economic relations have been stronger daily. Between the various provinces, municipalities and autonomous regions, adoption of diversified forms of economic and technological cooperation such as cooperative production, joint investment operation, compensation trade, processing of imported materials, advisory work on technology, project contracting, and so forth, has made much progress. Through absorbing capital funds, technology, and expertise in operation and management from the eastern region, the various provinces, municipalities and autonomous regions of the central and western regions have speeded up their own opening up processes. The eastern region, having received from central and western regions more supplies of energy resources, raw materials, and primary products, has also speeded up its economic development. The recommendation in the Seventh 5-Year Plan of the CPC Central Committee has further integrated the development of the eastern region with the opening up of the central and western regions. This, serving as an important guideline for economic construction and basic guidance for the economic layout of the regions, will surely promote a better display of the separate superiorities of the three zones and the further strengthening of their reciprocal and horizontal relations, and promote the speedier realization of the rationalization of the economic layout of the whole country.

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WHAT ADJUSTMENTS SHOULD BE MADE IN THE RURAL PRODUCTION STRUCTURE IN ORDER TO SUIT THE DEMAND FOR MODERNIZING PRODUCTION?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 43-44

[Article by Zheng Youyun [6774 1635 0061]]

[Text] In order to suit the demand of the development of the modernization of our country's economy in the Seventh 5-Year Plan period and to the possible changes in the composition of people's consumption, it is necessary to continue to make rational readjustment of the rural production structure.

1. We should continue to readjust the proportional relations between grain and industrial crops, gradually increase the percentage of industrial crops and thus further rationalize the internal structure of our farming. During the Sixth 5-Year Plan period, we corrected the erroneous policy of "regarding grain as the key link" and readjusted the layout of our crops, and thus achieved all-round development of grain and industrial crops. From 1980 to 1984, the percentage of the area of grain crops in our total farming area dropped from 80.1 percent to 78.3 percent and that of industrial crops rose from 10.9 to 13.4 percent.

Grain is the principal sector of our farming and constitutes the material precondition for readjusting our rural production structure and developing the commodity economy. An important reason why in the past few years we have been able to take a great step forward in readjusting our rural production structure is the bumper harvests of grain for years in consecution. Without this fundamental precondition, the readjustment of our rural production structure would have been unimaginable. Even if we had done it, we would not have been able to consolidate it. Therefore, during the Seventh 5-Year Plan period, we must ensure the continuous and steady growth in our grain production. At present, the material and technological foundation of our country's agriculture is still weak. We have a relatively poor ability in resisting natural disasters, and it is difficult to reap a bumper harvest of grain every year. At the same time, as the modernization develops vigorously, and as the living standard of our urban and rural people improves, there will be an even higher demand for the production of our grain both in terms of quantity and quality. Therefore, at any time, we should keep our minds sober and attach importance to grain production. Under the precondition of ensuring the steady growth of our grain production, we should expand the production of our industrial crops in a planned and systematic manner and gradually increase the proportion of these crops. As for the industrial crops, of which the supply has already exceeded market demand, we should apply economic means to control and reduce their production. As for the industrial crops for which there is a demand in our market, we should encourage their production, in particular, encourage the application of rising science and technology such as genetic engineering in order to continue to improve crop breeds and thus achieve high output and fine quality of the crops.

2. We should continue to readjust the proportional relations between farming and other sectors such as forestry, animal husbandry, sideline undertakings, and fishery, gradually increase the proportion of the latter and thus continue to rationalize our agricultural structure. During the Sixth 5-Year Plan period, through gradual readjustment, the percentage of the output value of our farming in that of all our agriculture including forestry, animal husbandry, sideline undertakings and fishery to some extent dropped, and that of forestry, animal husbandry, sideline undertakings (including village industry) and fishery to some extent rose. From 1980 to 1984, the percentage of the output value of our crops farming dropped from 63.7 percent to 58.1 percent; while that of our forestry, animal husbandry, sideline undertakings and fishery rose from 36.3 to 41.9 percent. Nevertheless, the latter sectors continue to be less developed in our agriculture and fail to meet the demand of our economic construction and people's livelihood.

Our agriculture, forestry, animal husbandry, sideline undertakings, and fishery depend on and promote one another. Without our forestry, our agriculture will be a limp one. Without fishery, our agriculture utilizes our land areas only. Without relatively developed forestry, animal husbandry, sideline undertakings, and fishery, it is impossible to improve our people's livelihood, or to switch our people's consumption from the pattern of having enough to eat and wear to a comparatively well-off pattern. Over the past few years, the food mix of our urban and rural people has already undergone changes. The percentage of staple food has tended to drop while that of nonstable food tends to rise. As people's living standard improves, this trend will become increasingly clearer. Therefore, during the Seventh 5-Year Plan period, in the light of the relatively backward forestry, animal husbandry, and fishery in our country, we should continue to adopt policies to encourage enterprises owned by the whole people, collective enterprises, and individual people to fully utilize the natural resources, vigorously develop our forestry, animal husbandry, and fishery, increase their proportion in our agriculture, increase the output of meat, poultry, eggs, milk, and fish, satisfy market demand, and thus improve people's livelihood.

3. We should continue to readjust the proportional relations between our rural primary and secondary industries and between primary and tertiary industries and gradually increase the proportion of industry, transportation, construction, and service trades in order to make the rural production structure more rational. In the past few years, a heartening change has occurred in our country's rural production structure. The proportion of agriculture (the primary industry) has dropped, the proportion of rural industries and construction trades (the secondary industry), and the proportion of

communications and transportation, commerce and service trades (the tertiary industry) have risen. Particularly, the development of township and town enterprises is quite rapid and it accords with the development trend of our rural areas. Our practice has proved that it is difficult for the township and town enterprises to develop without a consolidated agricultural foundation. Nor can our agriculture develop steadily without well-developed township and town enterprises. Under the current price system, the difference in income is quite big between people who are engaged in grain production and people who are engaged in industry, side production and business. It is obviously impossible for us to adopt the method of raising the prices of our agricultural products to even up the level of their income. In order to protect the peasants' initiative in growing grain, we have adopted the method of subsidizing our agriculture by our industry and have allocated some incomes gained by our township and town enterprises to help and encourage our peasants to develop farming and animal breeding. This practice will be a long-term policy to properly handle the relations between their economic interests.

The development of the tertiary industry is an important task in readjusting the rural production structure. The development and the socialization of the production and consumption of the primary and secondary industries require more and more various kinds of socialized services; therefore, the principal sectors of the tertiary industry--commerce and service trades, will also develop rapidly. Our country's tertiary industry is backward. The tertiary industry in our rural areas is even weaker. There are no transportation facilities or quick access to information. The services before and after production and commerce, financial and tourist trades are very underdeveloped. Most of the tertiary industry is labor-intensive. We may fully utilize the advantage of having abundant labor force in our country's rural areas and thus have broad prospects for development. The tertiary industry and the primary and secondary industries depend on and promote each other. Without prosperous primary and secondary industries, it is also impossible for us to develop our tertiary industry. At the same time, the tertiary industry will also affect and restrict the development of the primary and secondary industries. In the Seventh 5-Year Plan period, we should continue to adopt effective methods to encourage and support our peasant collectives and individuals to develop the tertiary industry and enable the proportion of employers in the total number of employers of the society and the proportion of its output value in our GNP to gradually rise in order to make the proportional relations between the primary, secondary, and tertiary industries more harmonized.

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IS IT RETROGRESSION TO CONTRACT SMALL STATE-OWNED RETAIL SHOPS TO THE COLLECTIVES OR RENT THEM TO INDIVIDUALS FOR THEIR MANAGEMENT?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 44-45

[Article by Guo Dongle [0753 0392 2867]]

[Text] In the reform of our urban commercial system, we adopt three methods to relax our control and enliven the small enterprises in our state-owned retail commerce and catering trade: For some of these enterprises, we have implemented the principle of "maintaining state ownership, having the enterprises managed by the collectives, collecting taxes from them according to the regulations, and assigning them sole responsibility for their profits and losses." For others of them, we turned them directly into collective enterprises. Still others of them, particularly the small shops that mainly provide labor service such as those in the catering trade, service trade, and reparation service trade, have been rented to individuals for their management. According to our statistics, by October 1985, among the 85,805 small state-owned retail commercial and catering service enterprises in the whole country, 49,085 had been contracted to the collectives for management, 7,847 had been turned into collective ones, and 7,377 had been rented to individuals for their management.

The major reasons for contracting small state-owned retail commercial enterprises to the collectives or renting them to individuals for their management are as follows:

1. Small retail commercial and catering service enterprises mainly use manual labor, rely on manual skill, and mainly provide or partially provide labor of service nature. In the past, we adopted the method of the state exercising centralized management and shouldering unified responsibility for their profits and losses. This is detrimental to correcting the labor attitude of the staff and workers in these enterprises or to urging them to improve their skill and service quality. Contracting these enterprises to the collectives or renting them to individuals for their management will enable the staff and workers' personal material interests to be more directly and closely linked with the results of the operation of the enterprises. This will be conducive to urging the staff and workers to be more concerned about their enterprises' profits and losses out of their immediate interests, giving full play to their labor initiative and creativeness, and making these enterprises arrange

their production and operation flexibly in accordance with social demands, strengthen their administration and management, and heightening their economic results and social service results.

2. At present, the degree of the socialization of housework is not high in our country. Almost all families have to cook their meals and buy various kinds of foodstuff and other articles of daily use every day; therefore, there is a demand for purchasing things near their homes. The dispersion and diversification of consumption determines the dispersion of the operation of our commerce and catering service trade. The small shops that are scattered all over our country like stars and have diverse forms of operation are characterized by small scale, flexible management, and strong adaptability. They can make up the defects of large enterprises and satisfy diverse demands of the production and livelihood in our society.

Will the nature of the ownership by the whole people of them be changed when these small state-owned retail commercial and catering service enterprises are contracted to the collectives or rented to individuals for their management?

The small state-owned enterprises that have been contracted to the collectives for their management are now managed according to the state's policies and methods toward collective enterprises. The original property and funds of the enterprises belong to the state. The enterprises possess the fixed assets owned by the state, provide depreciation funds in accordance with the regulations, deliver half of the funds to the state, and are responsible for the maintenance and renewal of the assets. The enterprises also possess the floating funds owned by the state and on principle have to pay fees for funds employment in accordance with bank interest rates. If they have difficulties in paying the fees, they can be exempted from the payments for a certain period of time. Therefore, these small enterprises embody the appropriate separation between the power of ownership and management and there is no essential change in the nature of their ownership by the whole people.

The small state-owned enterprises rented to individuals for their management have mainly undergone a reform in their mode of management and have not been turned into individual economy. At the same time, a portion of the profit of these rented enterprises should be delivered to the state in the form of rent. In addition, the enterprises have to pay unified retirement insurance funds. This change in the mode of management is in fact a method to separate the power of ownership of the enterprise from the power of management. It has not radically changed the nature of the enterprise's ownership by the whole people.

How should we then understand the change in contracting small state-owned retail commercial and catering service enterprises to the collectives and renting them to individuals for their management?

We all know that at the present stage our country's productive forces are of many layers and the development of the productive forces is uneven. There is backward small production as well as modern mass production; and there is not only a large amount of manual labor but also mechanized labor. In order to adapt our commerce to this situation, for a fairly long time to come, we must establish a commercial structure consisting of diverse economic forms with the state-owned commerce as the dominant sector.

Our country's socialist transformation of the private ownership of means of production was successful, but in the later period of the transformation, there were too many mergers in the commercial sector and thus excessively reduced the proportion of collective and individual commerce in our commercial sector. In regard to this situation, in 1956, Comrade Chen Yun pointed out: "Most of the small shops and fixed and mobile hawkers are dispersed among our residential areas. The small shops and hawkers that are scattered in our residential areas are a form of business and service in our country's commerce that we will need for a long time to come. If we merge them all into joint state-private and cooperative shops, there will be inconvenience for our people's consumption. If we allow them to do their business, remain scattered and be paid fixed wages by the state, then we will not be able to maintain their business initiative." ("Selected Works of Chen Yun" (1949-1956), p 310) However, Comrade Chen Yun's correct view was not implemented at that time. On the contrary, during the 20 years from 1958 to the 3d Plenary Session of the 11th CPC Central Committee, there were several times of "upgrading" and "transition" to turn individual commercial enterprises into collective ones and collective ones into state-owned ones. By 1978, collective commerce accounted for only 2.2 percent of the total volume of retails of social commodities while individual commerce accounted for only 0.1 percent. In essence, the state commerce had a monopoly over commerce. As a result, it not only seriously hindered the development of our production, but also encouraged the "official commercial" work style and caused great inconvenience to our people.

Since the 3d Plenary Session of the 11th CPC Central Committee, in accordance with the principle of "three diversifications and one reduction" (diversifying economic forms, business methods and circulation channels, and reducing circulation links), we have readjusted the commercial structure in our society, relatively quickly recovered and developed our collective and individual commerce, and relatively greatly enlivened our market. In order to continue to give play to the staff and workers' initiative in doing business and open up new spheres of services, we have turned a number of small state-owned commercial enterprises that are originally not suited to be managed by the state into enterprises managed by the collectives or individuals. This is precisely a major readjustment in our commercial system which we have carried out in order to thoroughly correct the "leftist" mistakes and in order to correctly act in the light of our historical experience. It is a manifestation of our conscious application of the law that the relations of production must be suited to the nature of the productive forces. Practice has already proved that the implementation of this policy has given play to the staff and workers' initiative, invigorated our enterprises, enlivened circulation of commodities, made our market prosper, promoted our production and provided convenience to the livelihood of the masses of people. Therefore, essentially, this is not a retrogression but is a progress.

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WHY SHOULD WE REGARD STANDARDIZATION AS A MAJOR POLICY FOR ECONOMICS AND TECHNOLOGY?

Beijing RED FLAG in Chinese No 3, 1 Feb 86 pp 45-46

[Article by Li Changhui [2496 2490 1920]]

[Text] Standardization refers to the unification of things and concepts that are duplicated through the formation, promulgation, and enforcement of standards so as to attain the best procedure and social benefits in the social practices of economics, technology, and scientific management.

Standardization has a close relationship with people's production and lives. Following the development of the productive forces, people, in their material production, have formed the rich contents of standardization in regard to the demands on the form, sizes, and functions of the various kinds of tools and articles and the various kinds of relevant plans computations, processing procedures, concrete operational methods, and so forth. With the development of production, construction, science, and technology, the sphere of standardization has become increasingly extensive. In order to make the activities in enterprise management rational, systematic, and modernized and to achieve the purposes of good quality, high efficiency, low consumption, and low production costs, various countries are currently vigorously promoting standardization in enterprises. Modern standardization has spread to the various phases of social production and life. The level of standardization is the yardstick for measuring a nation's production and technological level as well as its management level and is an important landmark in modernization.

Standardization is an important method of organizing modernized production. Modernized production is highly efficient production built on the basis of advanced technology, a well-organized division of work, and massive cooperation. The products and engineering projects of many plants are frequently related to scores or hundreds or thousands of enterprises and are related to many departments and the various production and technological stages within an enterprise. Such a complex and comprehensive production organization system requires that the production activities of whole society maintain a high degree of unity in technology, coordination, and unanimity, and thus standardization plays an indispensable role as a link in technology. Standardization is the precondition for rationally developing variety and organizing specialized production. One of the important principles of standardization is rational simplification. It is beneficial to systematizing variety, raising the degree of the generalization of parts, expanding the scale of production, realizing specialized production, adopting advanced technological equipment, and accomplishing the purposes of using the minimum system of products to meet the needs on various sides and using the maximum equipment in general use to produce different kinds of products.

Standardization is an important guarantee for improving the quality of products. Standards are the foundation of overall quality management and the technical basis for improving the quality of products and for carrying out the supervision and inspection of the quality of products. To a large extent, the level of standards determines the high or low quality of products. If the standards of the 1960's are used to organize production, then even though the products are fully up to standard, they would still be substandard and backward products. Hence, in order to solve the quality problem of products, the problem of the standards must be first solved. Only by following the international standards and the advanced standards of foreign countries to organize production is it possible to ensure that the quality and functions of our country's products can gradually reach the level of the developed countries and to strengthen our economic power.

Standardization can facilitate the rational use of the national resources, conserve on the consumption of energy and labor power, and improve economic benefits. For example, in the past our country did not have a water quality standard for low-pressure boilers and lacked water quality requirements and the measures to handle this. As a result, the state of accumulation of sludge in the boilers was very serious and the average thickness of the sludge was 5 to 6 millimeters. Each year thousands of sets of boilers were ruined and tens of millions of tons of fuel were wasted. In 1980, following the state's promulgation and enforcement of a national water quality standard for low-pressure boilers, sludge in the boilers has been reduced to 1 to 3 millimeters and the steam generation per ton of coal consumption has increased from 7 to 9 tons, or a rise of 30 percent. The medium and small boilers in the country alone have achieved annual savings of over 4 million tons of coal. The economic benefits are extremely obvious.

Standardization also plays an important role in protecting and improving mankind's standard of living, ensuring safety protection, and bringing benefit to society. Along with the continuous development of production, environmental pollution and damage to the ecological balance have seriously endangered people's health and safety. As for the various kinds of food, medicine, articles for cultural and recreational use, electrical articles and electrical goods for household use, their sanitation and safety functions are likewise related to the health and safety of mankind. Formulation and enforcement of standards for environmental protection and sanitation and safety standards for the relevant products, as well as rigidly strengthening over them, can control the release of harmful elements in excess of the prescribed standards and can also prevent the infiltration into the markets of products not compatible with health codes and safety requirements, thus accomplishing the objectives of protecting the environment and the health and safety of mankind.

Standardization is an important tool to promote the international exchange of technology and economics. One of the special features of modern standardization is its international character. International standards have become commonly observed rules governing technological and economic exchanges on a worldwide scope. Performance of a good job in standardization is beneficial to the banishment of the technological barriers in international trade, promotes technological exchanges and the development of import and export trade, and protects the interests of the state.

Standardization is technological and economic foundation work of a comprehensive nature. It is an undertaking which requires low investment, draws quick results, provides large benefits, and bears an important significance in promoting technological progress and realizing the lofty objective of socialist modernization.

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IT IS NOT EASY TO KNOW WHAT SHOULD BE DONE

Beijing RED FLAG in Chinese No 3, 1 Feb 86 p 47

[Article by Xun Chunrong [5424 2504 2837]]

[Text] When talking about the special features of today's college students, a friend said: "They are diligent in thought and brave in probing but do not need, and do not like, people teaching them too much as to what they should and should not do."

I have done little research on the problems of youths and do not know if this special feature belongs especially to a portion of the students, or is common among the present generation of college students. However, I feel that the problem itself is worth "thinking" about and "probing."

I think of the relations between the child and the mother. A good-hearted mother frequently makes an insufficient estimate of the child's growth. She always likes to give one warning after another and then hundreds and thousands of reminders, and will not stop until the child loudly protests: "I know!" Just what is the meaning of all this nudging on the mother's part? College students are no longer young children. Concern about them should long have passed the stage of cautioning them to "take care when crossing the road" or to drink water when "thirsty." Unfortunately, certain comrades among us still want to waste words on, and devote efforts to, problems which the college students can fully handle themselves with their intellect and ability to judge what is right and what is wrong. The fuss is indeed unnecessary. This kind of guidance well deserves the rejoinder that "it is not needed and not liked."

Nevertheless, "what should be done and what should not be done" is a big problem. It embraces a big "yes" or "no" in political thought and what course to follow in the journey of life, and so on. Is it true that our college students have fully comprehended and solved these problems? The answer is no. For example, some youths have always felt that there is freedom in a capitalist society and they are after it in heart and soul. But after their wishes have been realized they can discover that things are far different from their original wishes and they would deeply regret what they have done. Again, for example, a youth sees a peasant falling into a deep pit of manure. Should he risk his life and help him out or should he just take a casual look and go his way? College student Zhang Hua's answer to this question was to act and sacrifice life to save that of the peasant. Yet, was it not true that when an assessment was made of Zhang Hua's deed there were people who felt that it was not worthwhile for a college student to sacrifice his life in exchange for a peasant's life?

In reality, in man-to-man relations and in relations between the individual and the collective and between the individual and society, this problem of "what should be done and what should not be done" lies squarely before us all the time. Not everybody can answer the question and, far less, is there any person who can answer it well. Some can answer the question in theory but when it comes to actual practice they are helpless. And some may be able to answer the question but when they meet with another question they cannot answer it. Thus, we cannot treat this problem as one that can be solved easily.

It is true that "deliberating" and "probing" can play an important role in solving this problem. But at times, if the deliberation is not carried out in the right way, or the probing is not done in the correct directions, they will not work. As Comrade Liu Ji, a well-known "young educator," well said: "Current youths are brave in probing but at times they fail to clearly mark between the good and the bad. They dare to break through antiquated ideas but they lack alertness against the corrosion of capitalist ideas." Obviously, to overcome the weak points in deliberating and probing, simply relying on deliberation and probing themselves will not work. The guidance of Marxism and scientific knowledge is still sorely needed. Lu Xun once said: When a child grows up, he is strong and clever. "Even though opium or morphine is shown to him, there is no great danger. However, needless to say, at the same time there must be some enlightened person to point out to him that if he takes either the opium or the morphine, he is liable to become addicted and once he is addicted he will become a worthless creature or even harmful to society." How important it is to have an enlightened person to serve the warning!

To be able to correctly assess one's self is the start of a person's progress. Gorde [Gede [2960 1795]] once said: "If a person does not overestimate himself, he will indeed be much loftier than his own estimate of himself." In my opinion, on this problem of "what to do and what not to do," college students still at their studies, like educated adults, "should welcome," and "should not reject," correct guidance. Does the friend mentioned at the beginning of this article agree with me?

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THE ENJOYABLE 'PREGNANCY CASE'

Beijing RED FLAG in Chinese No 3, 1 Feb 86 p 48

[Article by Hong Zheng [1738 1767]]

[Text] The "flower-drum" shows of Henan Province are local theatrical plays well enjoyed by the populace. The plays are usually humorously presented, mixing humor with serenity, and frequently making the audience, in the course of laughter, attain enlightenment in thinking and warm feelings. The "Pregnancy Case," a newly composed drama recently presented on the stage with the characters wearing ancient costumes, is precisely such a case. The whole play comes to a close amidst roaring laughter from the house, but the attitude of the author was stern and serious. The boisterous and satirical themes are presented with great skill, the characters in the play presented with great fanfare, and the play itself has a vast drawing power.

The "Pregnancy Case" has a rather simple plot: Princess Youye is ill. The emperor orders four medical officers of the court to give her a medical examination. The imperial physicians find that this unmarried princess is "pregnant," but, caught in a dilemma in which "to tell the truth would not do and not to tell the truth would not do either," none of the imperial physicians dares to speak the truth. Imperial physician Li Hong, a roguish person, thinks of an "infallible" plan. He says that the princess' illness is due to an "internal disorder." He advises the emperor to quickly acquire a son-in-law to "drive away the evil spirit." But who would guess that the person selected for the purpose, the newly crowned number one scholar from the recent imperial examinations, Liu Huaiyu by name, would refuse to cooperate. Liu swears to observe his lover's wishes; he offers to diagnose the princess' illness. In the end, he confirms that the "princess is truly pregnant," and openly accuses Li Hong of deliberate fabrication. As a result, this number one scholar nearly loses his life.

The emperor was fully aware of the princess' pregnancy at heart. However, what he wanted was not the truth but a way to cover up the ugly incident. Hence, whoever could be unanimous with him in the matter was, to him, "truly loyal"; otherwise the offender would be sent to the "death cell." The fact that the story of the princess' pregnancy took place during a period of internal disturbance and a poor scholar saved her life and she and the scholar fell in love and lived together, does not get around the fact that in the old days of feudalism this was considered to be a serious violation of the moral code. On the other hand, if nobody had told the truth and Liu Huaiyu was put to death, then the lady's good name would be preserved and the "shameful event" would be covered up. Quite unexpectedly, at this juncture, the princess speaks up, frankly tells the truth, and bares her decision not to marry any person other than her former lover, the poor scholar. Also unexpectedly, imperial physician Hu, who had been sorely rebuked by his conscience, visits the palace in the dead of the night and bares the whole truth. Thus, the play has a happy ending (the princess and the number one scholar were husband and wife under duress). Presentation of the play is thus humorous and full of fun. Laughter rocks the whole house, but when the laughter dies down, the people carefully examine the inner core of the plot and engage in deep thought....

To save his own face and prestige, the emperor not only would mix black and white, cruelly kill loyal and conscientious people, but also refuse to recognize his relatives, including his own daughter whom he would not hesitate to eliminate. Under the force of despotism, the various officials behaved as follows: Number one scholar Liu would rather die than utter a lie; imperial physician Li finds glory in falsehood; imperial physician Hu is stricken by conscience for fabricating falsehoods; and imperial physician Qian wants to lie but cannot do it well. In shaping the character of Li Hong, the author has gone to great lengths. In the play, Li is not a person who depends on lying to make a living; nor is he heart and soul committed to wishing harm on other people. His quick wit in making appropriate replies to the emperor helps to save other people from misfortune. But when facing imminent danger and in order to save himself, he becomes spineless. He steadfastly holds on to the creed of "not being serious." This refers to not being serious about matters in general, but definitely being extremely serious concerning one's own destiny. His greatest asset is the ability to adjust himself to the trend of an event. Indeed, he is really superb in following the emperor's wishes. No wonder the emperor feels that Li is indispensable while the emperor is still living and also will be badly needed after the emperor's death, and even accorded with the honor of "being buried in the imperial tombs." As for the outspoken imperial physician Hu, he luckily escapes the death penalty, but is still forced to go into retirement, though suitably compensated with a bag of gold.

In real life, we have often heard of people like the emperor who, though aware of his own fault, is still adamant and refuses to rectify it but persists in persecuting those people who dare to tell the truth, thus hoping to cover up the facts. If speaking the truth is a crime, it will compel people wishing to speak the truth to refrain from saying anything at all and turn to lying altogether. Cases are not rare in which, in certain government departments and at certain times, the practice of telling lies is rampant. This situation reminds us of Anderson's story of the emperor's new clothes. Nobody thinks the emperor is strange. Similarly, in a world of lies, people accustomed to telling the truth would be considered to be "extraordinary." If those in charge in a department are people for whom telling the truth is a taboo, then this department can never function well. People in the department will take the opportunity to create fabrications and make false reports in order to earn the title of being "advanced" and thus to climb the ladder of promotion. But the work of the party will be damaged and the populace will suffer. How can we then prevent our enterprise from taking a zigzag course? Fortunately, history is forever advancing. Lies are bound to be overthrown by facts. As we have seen, people who had deceived the world with falsehood have ultimately become the prodigal sons of the revolutionary enterprise and cannot avoid the destiny of being utter failures. On the other hand, as for people who, under whatever conditions, dare to tell the truth for truth's sake and for the people's interests, especially those who, though facing death, still dare to do so, they, and only they, are the backbone elements of our country and people.

The "Pregnancy Case" provokes people's deep thought. By means of this story, we can have a taste of life and come to understand the soul of each type of person in life as well as to purify our own soul. This fabricated story of the olden times has brought up a real problem: Should we insist on listening to the truth and refuse to listen to lies? Should we insist on telling the truth and refuse to tell lies? At times and in places where lying is rampant, can our spine be as straight as usual? As we have destroyed the despicable "nation of lies," so we must consciously use each and every action and spend each and every drop of blood and sweat to construct a true, perfect, and beautiful world.

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LET PHILOSOPHY BRING A RADIANCE TO LIFE--COMMENTING ON 'THE STUDY OF TIME IN LIFE'

Beijing RED FLAG in Chinese No 3, 1 Feb 86 inside back cover

[Book review by Feng Qi [7458 1148] and Chen Weiping [7115 5898 1627]; "The Study of Time in Life" was published by Jiangsu Province KEXUE JISHU CHUBANSHE in July 1985]

[Text] From ancient times, people have deeply understood the value of time in life. However, very few people have seriously pondered the philosophy of time and most feel that the abstruse theories of time put forward by philosophical masters are too far removed from their own lives. "The Study of Time in Life" written by Jin Zhe [6855 0772] and Chen Xiejun [7115 3610 0689] develops philosophical theories in respect of the phenomena of time to which people have turned a blind eye, and also fits these theories into active life. This book leaves us with a distinct overall impression: Philosophy brings a radiance to life.

Following the development of modern science and modern society, it is very necessary to take time theory as an important specialized topic for research in both philosophy and science. For us, this is a new subject. "The Study of Time in Life" carries out initial research on this new subject. Under the guidance of the Marxist viewpoint of time, it strives to explore the general laws in respect to the structure, form, characteristics, calculation, management, and use of time. It takes a quite fresh time theory and puts it into a life with which readers are very familiar, and extends new principles about time into various aspects of social life. For example, starting from the ebb and flow of the tides which people often see, the authors proceed to discuss the question of time cycles. Thus when they introduce new terms such as rate of cyclical growth and shrinkage, the law of cyclical centralization, the law of cyclical phases, and the law of cyclical recurrence, the readers do not feel they are uninteresting and abstruse, but feel that they have been introduced to complex matters through simple terms and very naturally.

The reason this book is able to get philosophy to bring a radiance to life lies in the fact that it pays great attention to the use of theory in the domain of the masses. The authors introduce and put forward various scientific strategies for using time and tell people that there is much scope for using time studies in a great number of areas. In "Saving Time Through

Enterprise Time Management" enterprise managers are able to find methods by which to scientifically arrange their time. From "Channelling Ecological Time Into the 'Radius of Understanding'" ecological researchers can come to comprehend and master the great importance of the time sequence of the food chain in actual life. Technological workers can also obtain great enlightenment in terms of technological creativity from the research results of technological time fields such as "time control modes," "time leap modes," "time image modes," and "time retardation modes." Old people can learn from the book ways to extend life by guarding against illness in a timely way, seeking treatment at the right time, and taking medicines at the right times. Those self-studying adults whose memory has declined and who are worried about the fact will find that the book's "time-mark memory method," "periodic memory method," "beginning-to-end memory method," and "cyclical memory method" provide the "secrets" of improving their memory. When reading this section, everyone will feel that philosophical theory has great significance in life.

From the "opening melody"--"Song of Free Thoughts on Time"--to the final chapter "Unfinished Epilogue," "The Study of Time in Life" is permeated with a passionate love of life. It encourages people, especially the young to race with time on the road of life. Within the work there are songs which praise life and maxims stimulating people to struggle ahead. There are some beautifully written prose and some fascinating theoretical explanations. Throughout it is sensibly arranged and the style elicits the emotions, while it is also rich in philosophical language. With the stimulation of the authors, the reader unconsciously finds himself thinking about the significance of the philosophy of time in life.

The book has other superior points such as using a wider field of vision by collecting many materials ancient and new, Chinese and foreign, about time and presenting them in a novel and lively way. However, it must be recognized that making great breakthroughs in research into the theory of time is not an easy thing to do. In the history of philosophy and science, many great thinkers and scientists have done a great amount of hard thinking about time, but many problems impossible to completely resolve remain. The development of modern science and especially of modern physics has put forward new topics in the exploration of time theory. Thus, if one is to describe time theory systematically from a philosophical level, not only are abilities in philosophy required, but more importantly there is the need for a rich knowledge of modern science. We believe that Jin Zhe and Chen Xiejun will, on the basis of their initial research results, be able to progress to higher goals.

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MAKE DECISIONS PROMPTLY AND CARRY THEM OUT RESOLUTELY

Beijing RED FLAG in Chinese No 4, 16 Feb 86 p 2

["Forum"]

[Text] In our effort to build spiritual civilization and improve the party style and social mood, it is necessary to start with grasping concrete cases. It is especially necessary for us to break through all kinds of obstacles and firmly grasp the investigation and handling of major and serious cases in which senior cadres and their children are involved. The great majority of our senior cadres and their children are good, but in the new situation, there are actually some who have failed in resisting the corrosive influence of bourgeois ideology and have been involved in unhealthy tendencies. Some have even violated discipline and the law and committed crimes. The broad masses of people are paying a good deal of attention to whether these cases are seriously handled. But for quite some time in the past, some indisputable cases were left unsettled after being investigated over and over again for years with the approval of the relevant departments at various levels. Apart from the bureaucratic work style of some leading organs and their failure to resolutely deal with the criminal cases, the main reason was that some leading comrades forsook principles for personal feelings. They were irresolute and soft-hearted and even shielded each other, thus placing obstacles in the path of investigating and handling the relevant cases. If this situation is not resolutely changed, straightening out the party style will become empty words in these areas and units.

Now the CPC Central Committee is determined to vigorously deal with criminal cases starting with the central organs and Beijing municipality. As to those who have violated party discipline and state laws, the higher the position of the cadres and their children, the more they should be investigated and dealt with seriously, because their problems have greater harm and influence and earnestly handling their cases will produce a greater impact. At present, are there not many people who are apprehensive that our work to improve the party style will be done perfunctorily and superficially? By firmly, resolutely, and timely investigating and dealing with major and serious cases, we mean to show the people throughout the country with our real action that we are determined to overcome all obstacles to building spiritual civilization and that our party is adhering to the principled stand of proceeding in all cases from the interests of the people and is open and aboveboard. Thus, the masses of people will naturally have more confidence in the fundamental improvement of the party style and social mood.

It is necessary to make prompt decisions and carry them out resolutely in investigating and dealing with major and serious cases. As soon as the main problems of a case are clarified through investigation, it is necessary to handle the case immediately. We must never be soft-hearted in dealing with cases of violating criminal law but must deal with them firmly and resolutely in accordance with the law. Only in this way can we save a number of cadres. Of course, we still will not launch a mass movement in this regard. In order to check unhealthy tendencies, we must be both resolute and persevering. When we emphasize resoluteness and promptness, we mean to correct the past style of irresoluteness and hesitation, and by no means mean to encourage crudeness and rashness. While investigating and handling criminal cases, we must at all times act in accordance with the facts and the law. We must draw a clear line of demarcation between right and wrong and deal with each case on its merits. The mistakes committed due to the imperfect rules and regulations and inexperience in the course of opening up to the outside world and enlivening the domestic economy should be strictly distinguished from the criminal offenses of taking advantage of the reform to practice graft, engage in smuggling and speculation, and seek private gain. As to those who have committed ordinary mistakes, they are just required to make a self-criticism and correct their mistakes. If leading cadres at various levels, especially senior leading cadres, are involved in unhealthy tendencies themselves, they must examine their mistakes of their own accord and resolutely correct them. If their relatives or children have violated the law and discipline, they must take a firm and clear-cut attitude and resolutely assist discipline inspection and judicial departments in dealing with the cases seriously in accordance with party discipline and state laws. All leading cadres should set a good example in this respect so that they may become "honest and upright leaders." They should also educate their children so that their children may become models in carrying forward the party's fine traditions and in observing discipline.

Both historical experiences and the reality at present have repeatedly told us that in the construction of the four modernizations, we must pay attention to both the construction and the legal system, including party discipline and state laws. We must never waver and slacken our efforts in the construction of the modernizations with one heart and one mind, in implementing the policy of opening up to the outside world and enlivening the domestic economy, and in continuing the reform, so as to rapidly develop the social productive forces. On the other hand, we must adhere to the four basic principles and do a good job in the construction of spiritual civilization. We must never slacken our efforts in this respect either. Without the people's democratic dictatorship, we will not be able to maintain a political situation of stability and unity in our society and will not be able to achieve successes in our modernizations drive. Without a good party style and social mood, we will not be able to carry out our reform and construction smoothly. Moreover, if we allow bad tendencies to develop, the productive forces will be destroyed and the entire economy will be affected.

This is what we should avoid and can avoid. Therefore, we must pay attention to both things rather than one thing. Provided we really grasp the matter firmly, the party style and social mood will surely be changed for the better and the construction of both civilizations will surely be greatly promoted.

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RECTIFICATION OF PARTY STYLE SHOULD START WITH LEADING CADRES

Beijing RED FLAG in Chinese No 4, 16 Feb 86 pp 3-7

[Article by Li Xuezhi [2621 1331 2535], secretary of the Ningxia Hui Autonomous Regional CPC Committee]

[Text] Placing the rectification of party style in a very prominent position is an important task the National Conference of Party Delegates set for the entire party. It is also a task of top priority in Ningxia's work. Leading cadres at various levels are decisive factors in implementing the party's line, principles, and policies. Therefore, changing the style of leading cadres is the crux of rectifying party style and realizing a turn for the better in party style.

Leading cadres' unhealthy style will harm the image of the party among the people and undermine the relationship between the party and the masses. The people are the creators of history, and the socialist cause is the cause of millions upon millions of people. The socialist cause will develop smoothly only when the initiative of the people is brought into full play. The quality of party style determines the will of the people, and the will of the people determines whether the socialist cause will succeed or fail. If leading cadres forget the party's aim and are divorced from the people, the party will lose its prestige as well as the people's trust and support.

Leading cadres' unhealthy style will ruin party members and cadres and corrupt social values. Leading cadres at various levels are the vanguards of party members and the masses. The quality of their ideological, work, and life styles greatly impacts on the departments and units they lead. Ningxia's experience has fully proven this. In a unit with a good party style, a healthy atmosphere prevails in which leaders play an exemplary role, are honest in performing their official duties, do not seek personal gain, and are bold in fighting evil trends. In a unit with an unhealthy party style, although problems manifest themselves at the lower levels, the root cause lies in the leading cadres of the unit. Their unhealthy style helps foster evil trends and therefore gives rise to a situation in which "unhealthy trends at the lower levels are difficult to rectify because the higher authorities are infested with evil habits."

Leading cadres' unhealthy style will relax party discipline, harm reforms, and cause delay in the "four modernizations" drive. The reforms we are currently carrying out are great, arduous, and complicated projects involving various social spheres, touching on the interests of people in various fields, and bringing about great changes in the political and economic structures of the entire society as well as in the life-style and mental status of the people. In this situation, comrades of the whole party should keep abreast of the CPC Central Committee and have unity of ideology and action. In particular, party-member cadres responsible for leadership at various levels should strengthen their sense of discipline and keep their words and actions within the bounds of party discipline. Otherwise, reforms will suffer setbacks and socialist modernization will be empty talk.

Leading cadres' unhealthy style will affect people's faith in communism. Communism is an ideal social system as well as the movement followed by millions upon millions of people. In this movement, every leading cadre of the party is responsible for organizing, guiding, and uniting the people in their march forward. To strengthen the people's faith in communism and to enable them to follow the party wholeheartedly, it is not enough just to carry out education in communist ideals.

Party members, and in particular the party's leading cadres at various levels, should influence and bring along the masses by setting good examples. If party members and leading cadres have a healthy style and the spirit of dedication to the communist cause, the people will love the party, support the party, and follow the party step by step toward communism. If party members and leading cadres are not as good as their word, talking about communism but engaging in other "isms," the people will doubt whether we are building communism and will waver in their faith in communism.

Over the last few years, party organizations at all levels in Ningxia have done a great deal of work in keeping with the instructions of the CPC Central Committee on rectifying party style, and a turn for the better has been noticed in the style of party members and leading cadres. The party's ideological line of seeking truth from facts is being further implemented, attention is being paid to doing things in the light of specific conditions, and the good habit of carrying out investigations at the grass-roots level is being gradually formed. Guiding principles for professional work have been made more explicit and a good situation has emerged in which people have wholeheartedly engaged in reforms and the "four modernizations." Inner-party life is returning to normal: More and more party members are willing to accept supervision by the masses, and the number of "privileged party members" is declining. More and more party members are bold in airing different views and are no longer in the habit of criticizing others without reason. More and more members of leading groups can understand and support each other and are no longer counteracting each other's efforts, and more and more leading cadres can persist in collective leadership and are beginning to discard the practice of "what I say goes." Factionalism left over from the "Great Cultural Revolution" has been basically eliminated. The practice of classifying people according to factionalism is finding less and less of a market, and misunderstandings arising from the past as a result of factionalism are beginning to disappear.

However, we should soberly understand that there are still quite a number of problems with the style of some party members and leading cadres in our region--some are very serious. These problems manifest themselves as follows: First, their sense of organization and discipline is weak. Some party members and leading cadres make irresponsible remarks on the party's principles and policies, and others even spread dissatisfaction among the masses. Some implement the party's principles and policies as they like and according to their needs, and others overtly agree with and covertly oppose the party's principles and policies, keeping in mind "you have your policy and I have my countermeasures." With regard to major problems such as wages and prices, they refuse to follow instructions. Second, their bureaucratic style is serious. They forget that they are servants of the people, refuse to listen to the opinions of the masses, and do not concern themselves with the problems of the masses. Some shirk responsibility, like to argue over trifles, do not pay attention to work efficiency, and perform their duties perfunctorily. Some like to seek undeserved fame and are fond of paying lip service and talking big. Some refuse to make profound investigations, thinking that they "have firm determination and many methods although they do not have a good understanding of the situation." Some like to live an idle life and muddle through their duties, causing serious political and economic losses to the party and the state. Third, their individualism has expanded. They use the powers bestowed on them by the people to recklessly seek gains for themselves, their children, and their relatives. Thinking that the party has treated them unfairly, some ask the party for promotions, more power, and better pay and living conditions, and they will grumble and be in low spirits if their demands are not met. Some seek ease, comfort, and personal privileges, go in for ostentation and extravagance, contend for going abroad, and use public funds for visiting scenic spots. Some take bribes, engage in illegal business, and copy, show, and disseminate obscene videotapes, thus embarking on the criminal road. Fourth, they are strongly influenced by philistine habits. With the mentality of "sparing others' feelings so that others will do oneself a favor," they skirt around problems, make no comment on controversies, turn a blind eye to what has gone wrong, and play the role of yes-men. Some seize the chance to curry favor with their superiors for promotions or transfers. Some lay too much emphasis on sensibilities to the neglect of party spirit, are particular about kinship, rush to do whatever is advantageous to them, shrink from examining cases, harbor evildoers, and bend the law for the benefit of their relatives. This provides umbrellas for evil trends and criminal activities.

Many factors have caused the above problems: 1) Liberalism and anarchism left over from the "Great Cultural Revolution" have not been thoroughly eliminated; 2) in the new situation of opening up to the world and enlivening the domestic economy, ideological and political work has been relaxed and the bourgeois ideology of "putting money above everything else" has corrupted the souls of some cadres; 3) in the course of reforms, some regulations have not been made perfect and no clear demarcation is available with regard to the application of some policies, and this enables some people to avail themselves of loopholes for their own benefit; 4) over the past few years, quite a number of departments and units have overlooked ideological and political work, relaxed the work of giving ideological education to party members and cadres, and abolished organs for ideological and political work so that the problem of the party not paying enough attention to party work still remains unsolved; and 5) some party members are not firm enough in rectifying unhealthy tendencies, saying much but doing little. Many of them are soft as "mud" and not tough as "iron," in particular toward problems involving leading cadres. In most cases, they hesitate about what to do and turn big problems into small problems and small problems into no problem at all. Finally, everything ends up with nothing definite.

Party and nonparty cadres and the masses have made a lot of comments on party style and the style of leading cadres. Their views are not identical. Some hold that party style has turned for the better as a result of party rectification, but others maintain that problems are becoming increasingly serious because party rectification is being carried out perfunctorily. We should have a practical understanding and appraisal of their views and should not be biased toward either side. Being excessively worried about the negative aspects of our problems will reduce our confidence in bringing about a turn for the better in party style, whereas underestimating our problems will hamper us in making progress.

We should say that the main aspect of the style of leading cadres at various levels in Ningxia is good. Only a small number of them go in for unhealthy practices. However, the influence exerted by these unhealthy practices is very bad and the masses have a lot of complaints about this small number of leading cadres. This point merits close attention. Not long ago, we studied and discussed the important speeches made by some central leading comrades at the meeting of cadres of central organs. We also analyzed the present state of party style in Ningxia and deeply felt as follows: To change the masses' conduct, it is necessary to change the style of leading cadres. The settlement of this problem allows no delay. To solve this problem, efforts should be made in the fields of ideology, work style, organization, and discipline.

In ideology, it is necessary to further strengthen the study of Marxist theory and the party's principles and policies. In the final analysis, the problem concerning the style of leading cadres is a problem of world outlook. If leading cadres want to fundamentally change their style, they must firmly establish a dialectical and historical materialist world outlook. At the National Conference of Party Delegates, Comrade Deng Xiaoping set new demands on the entire party, and in particular on leading cadres at various levels, in studying Marxism. This is a strategic measure for building the party and bringing about a turn for the better in party style. In the course of party rectification, we have organized the vast number of party-member cadres to study the scientific theses of Marxism-Leninism-Mao Zedong Thought. We have fundamentally negated the theory of "continuing the revolution under proletarian dictatorship," negated factions left over from the "Great Cultural Revolution," abolished factionalism, and strengthened party spirit. As a result, work in Ningxia has taken on a new look and an excellent situation has arisen in which the Hui and Han nationalities are united, relationships with other provinces are lively, and production is developing rapidly. Our cause is developing, the situation is changing, and new problems keep emerging in the course of reforms. All this requires us to engage in constant study.

Since the National Conference of Party Delegates, we have been perfecting the study system of the regional CPC committee standing committee. We have resumed the activities of the regional report group and paid attention to the work of forming study centers for leaders at the county level or above. In the course of carrying out regular theoretical education among cadres, we will spend 3 years giving rotational training to cadres at the county departmental level or above, so that they can engage in a concentrated study of the basic knowledge of Marxism, the theory on building the party, and the CPC Central Committee's principles and policies. This will lay a solid ideological foundation for changing the style of leading cadres and realizing a fundamental turn for the better in party style.

Insofar as changing leadership style is concerned, leading cadres should earnestly practice what they advocate and should take the lead in doing so. In Ningxia, there are 164,000 party members and 4,000 party-member leading cadres at the county departmental level or above. If each of them can take the lead in changing his style, the higher authorities can bring along the level levels, the masses can help the leaders, and a turn for the better in party style can be expected soon. Over the last 3 years, we have achieved marked results in rectifying party style, as the regional CPC committee has taken the lead in this work. The mobilization meeting of the central organs on the rectification of party style, which was held not long ago, set higher demands on us, and this helps strengthen our confidence in correcting party style. Members of the Standing Committee unanimously expressed their views as follows: They will follow the "criteria for inner-party political life" in their words and deeds, consciously accept supervision by the masses, and set strict demands on both themselves and their children. They and their relatives must be able to do what they request others to do and must promise not to do what they ask others not to do and they will boldly criticize, stop, and correct any unhealthy trend in the Standing Committee. Only in this way, will they be able to take the lead in rectifying party style.

In the field of organization and discipline, it is necessary to strengthen party discipline and to resolutely examine and deal with the unhealthy practices of some leading cadres. Production has developed and the people's livelihood has improved by a large margin. This is obvious to all. However we can feel that the masses still have complaints about the corrupt style of some leading cadres. To rehabilitate the image of the party among the masses and to settle the masses' complaints, we must seriously check and deal with the unhealthy practices of some leading cadres. At the beginning of the first stage of party rectification, we followed the plan of the central authorities and dealt with a number of cases in which some leading cadres abused power for personal gain, practiced bureaucratism, took bribes, and indulged in extravagance. A cadre at the provincial level, 3 cadres at the provincial bureau level, and 13 cadres at the county departmental level were given party or administrative disciplinary penalties or punished according to the law. This helped reduce unhealthy tendencies, and the masses were pleased with the situation. But by the end of 1984, new unhealthy tendencies emerged in which bonuses were issued at will, charges and prices were raised arbitrarily, and fines were imposed recklessly. As we failed to fully estimate the serious consequences of these tendencies, did not have specific policies and measures to follow, and did not seriously deal with the problems which had arisen among leading cadres, we could not promptly and effectively stop and correct these new unhealthy tendencies. Recently, the regional CPC committee standing committee summed up the lessons in this respect and decided to make great efforts to stop unhealthy tendencies among leading cadres of bureaus and departments in organs directly under the regional authorities, so that these organs can set a good example for the entire region in correcting party style. In examining unhealthy tendencies, we must resolutely get rid of kinship and stand up against the habit of interceding for evildoers. Major cases must be thoroughly examined and dealt with, no matter who is involved. Leaders of departments and units where evil trends are rampant should be held responsible for the emergence and consequences of such trends.

In work methods, emphasis must be laid on making investigations and studies on the realities of life and on establishing close ties with the masses. We stress that every year leading cadres at the county departmental level or above must spend one-fourth of their time making investigations and studies at the grass-roots level. Last year alone, organized, large-scale investigations were conducted on three occasions. At the beginning of last year, responsible comrades of the regional CPC committee and government led 126 leading cadres at the regional departmental level and above in conducting a 6-month survey of the situation and problems in economic structural reform throughout the region. This laid a foundation for the overall carrying out of urban economic structural reform. By the end of last year, the regional CPC committee standing committee organized 5,500 party and government cadres to disseminate the spirit of the National Conference of Party Delegates and to conduct an examination on party style and party discipline. They appropriately handled the problems they discovered in the course of the examination. In addition, members of the standing committee personally handled letters the people sent in and complaints they made. In 1985, the secretaries of the regional CPC committee standing committee personally treated some 1,000 letters sent in by the masses.

"A big mountain is not formed with one rock; a large mansion needs the support of solid columns." Bringing about a turn for the better in party style requires the efforts of the entire party, and in particular of party-member leading cadres. Now the CPC Central Committee is expecting us to realize a turn for the better in party style and people outside the party are focusing their attention on us. We should take action and make contributions to bring about a turn for the better in party style. Only in this way, will we live up to the expectations and trust of the party and people and be worthy of the glorious title of Communist Party member.

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ACT UNSWERVINGLY IN LIGHT OF THE OVERALL SITUATION

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[Article by Zhang Zhixiu [1728 9455 4423]; capitalized passages published in boldface]

[Text] At a meeting of the Central Military Commission, Comrade Deng Xiaoping pointed out: The party, the government, the Army, and the people of the whole country should obey, show concern for, closely cooperate with, and act in light of the overall situation in our country's construction. This important ideology is the code of conduct to be observed by the whole party, the whole Army, and the people of the whole country, and is also the fundamental guiding ideology in doing the various types of work in our Army. Conscientiously implementing this guiding ideology and ideologically and politically maintaining a high degree of unity with the CPC Central Committee will enable the reform, simplification, and reorganization of our Army to be carried out smoothly.

TO ACT IN LIGHT OF THE OVERALL SITUATION MEANS TO PUT THE INTERESTS OF THE PARTY AND THE PEOPLE FIRST. To vigorously carry out the economic construction is the most pressing concern of the party, the government, the Army, and people throughout the country. To carry out the reform, simplification, and reorganization of the Army and reduce the troops by 1 million is beneficial to our country's economic construction and the modernization of our country as well as to world peace. This also shows that the Army is acting in light of the overall situation. Economic construction is the material basis of the construction of national defense. Only when economic construction has achieved marked successes will we be able to improve the quality of our Army's weaponry and equipment and realize the modernization of our national defense forces. So, to act in light of our country's overall economic construction situation means to be subordinate to the fundamental interests of the party and the people and to the long-term interests of our Army construction.

The reform, simplification, and reorganization of the Army is a major reform in our military history, for it involves a wide range of sectors. As far as the units are concerned, some will be consolidated, disbanded, downgraded, or streamlined while others will be placed under the jurisdiction of the local authorities. As far as the personnel are concerned, they will either be urged to leave or stay, be promoted or downgraded, or be transferred or retired, and so on. All units and comrades will be urged to be subordinate to the overall situation. The decision to simplify and reorganize the troops has been made according to overall strategic arrangements for future wars against aggression and to the present needs of our Army construction. In the past, we carried out numerous reforms, simplifications, and reorganizations of the structure of our troops. In all previous Army reorganizations, officers and soldiers of our Army attached utmost importance to our Army structure by subordinating the part to the whole and the individual to the collective. This is also a good tradition of our Army. In the recent reform, simplification, and reorganization of our Army structure, some of the comrades in our former Kunming Military Region felt at the very beginning that the change in the leading body was too big and the shift in ideology too fast. But, once the CPC Central Committee and Central Military Commission's order on troop reorganization was relayed and explanations were given, all the comrades became consciously subordinate to the overall situation, happily accepted arrangements made by the party and resolutely carried out the order of the CPC Central Committee and the Central Military Commission. All these have shown that our Army is an army which is under absolute party leadership and which serves the people heart and soul. Our Army is a highly concentrated and unified combat collective with a strong concept of viewing the situation as a whole, able to withstand any test under any circumstance.

Being subordinate to the overall situation means, in the final analysis, to correctly deal with relations between individual interests and state interests and relations between present interests and long-term interests. Generally speaking, the fundamental interests of the party and the people and the long-term interests of the state and the Army consist of everyone's specific interests. But, under certain circumstances, on some specific questions, there might be contradictions between individual interests and the state interests and between present interests and long-term interests. When such contradictions arise, leaders at various levels should try their best to properly solve them. As far as individuals are concerned, they must temporarily sacrifice some of their individual interests and present interests for the fundamental interests of the party and the people and the long-term interests of the state and the Army. For instance, in the process of the reorganization, quite a few comrades might find their positions downgraded and their salaries lowered, might have to endure separations from their wives or husbands or their children, and might have difficulties in finding schools. When solving these problems, we should conscientiously study Comrade Hu Yaobang's inscription: "When joining the Army, we are willing to become soldiers who suffer losses; when being demobilized or returning to civilian service, we are willing to become people who suffer losses; we are willing to suffer losses for the people for all our lives; the people's Army is the most glorious Army."

After learning from the lofty quality of the heroes and model soldiers in the war of self-defense against Vietnam, we should conscientiously suffer losses for our motherland and our people and act with a devoted spirit. We should unify our ideology and attach the utmost importance to the interests of the party and the people and to the responsibility of a revolutionary soldier so as to bravely devote all ourselves to our motherland and our people. That

"I suffer, but a billion people gain" should become our oath. Our comrades have said it so well: "In order to be subordinate to and show concern for the overall national situation, we must dare to make sacrifices. Our sacrifices will be worthwhile and glorious."

WHEN ACTING IN LIGHT OF THE OVERALL SITUATION, IT IS IMPORTANT TO STRESS UNITY. Our country's socialist economic construction demands a political situation of stability and unity and requires the party, the government, the Army, and the people of the whole country to strive hard in unity and with one heart and one mind. In order to do a good job in the reform, simplification, and reorganization of the structure of our troops, we must also strengthen our unity in various aspects. After being reorganized, the troops are usually formed from severed units. New Army personnel come from various units. What is more, old officers are succeeded by new ones. The situation is thus complicated, and the work is difficult. Under such circumstances, in order to properly fulfill our Army tasks, it is of special importance to stress unity, style, and party spirit, bringing every positive factor into play.

Stressing unity means to unite all comrades from various units into a strong combat collective. When using cadres, we must stress equal opportunities for all cadres, must not practice the mountain-stronghold mentality, and must remove the barriers of departmental mentality. We must equally treat, trust, show concern for, and give support to cadres from various units. In selecting and promoting cadres, we must stick to the principle of stressing both ability and political integrity, the principle of promoting the competent, the principle of promoting cadres from all units, and the principle of upholding justice and uprightness. Generally speaking, we should appoint and assign cadres according to the needs of building a modern and regular revolutionary army and the needs of the overall arrangement of our Army. However, a newly reorganized unit will probably be staffed mainly by a certain former unit. This situation is quite normal, inevitable, and conforms to the interests of the overall situation. We should not give too much thought to which former unit accounts for the bigger proportion and which former unit accounts for the smaller proportion in the newly reorganized unit.

We should not think that a certain former unit has been given more attention in the newly reorganized unit than another former unit, either. During the war years, we had to disperse our troops and establish our base areas in various areas. At that time, Comrade Mao Zedong once proposed the policy of "recognizing factions, showing concern for factions, and eliminating factions." This policy was absolutely correct at that time because it united the troops and people in various base areas, brought various positive factors into play, successfully put the whole Army under a concentrated and unified leadership and ensured the victory of the revolutionary war. After the founding of the People's Republic, the situation changed. Our country is unified so we can no longer stress showing concern for factions, nor can we see things from a factional point of view. The big field armies which existed in the first few years after liberation have been reorganized several times. Most of those troops have left the places where they were originally stationed. Some of those troops have been transferred to other military regions or districts, some have been changed into public security forces, and some have been disbanded. Can we say that those troops were not given enough attention? In the reform of Army structure and the simplification and reorganization of the troops, we must take into consideration the overall situation of our country and be subordinate to the needs of our country's construction and our Army's construction while conscientiously safeguarding revolutionary unity. However, after working together for many years, our comrades have established deep feelings among themselves and often contact one another. This is irreproachable. We cannot take this kind of normal, comradely relations as a mountain-stronghold mentality.

The key link in strengthening unity lies in the unity within the leading bodies, especially the unity between new and veteran cadres. New leading bodies include cadres of different ages. The members of the leading bodies joined the revolution at different times, thus they have different experiences. They have different standards of education and different working abilities. Their views differ on some questions. Under such circumstances, it is of utmost importance to strengthen unity between the new and veteran cadres. If there is strong unity within leading bodies with new and veteran cadres learning from one another's strong points to offset one another's weaknesses and working with joint efforts just like towing a boat in the same direction, then all the difficulties can be overcome and any rapids or dangerous shoals will be forded. If the members of the leading bodies are not united as one, they will complain about one another, not cooperate with one another, and counteract one another's efforts as in a tug-of-war when confronting some setbacks and problems. Unity and cooperation between new and veteran cadres are essential to reform, the needs of our country's construction, the needs of Army construction, and the needs of continued and further development of the good situation.

The basis of unity is ideological unity and the maintenance of a high degree of ideological and political unity with the CPC Central Committee. Veteran cadres should become models of maintained unity with the CPC Central Committee and should show concern for the growth of new cadres, enthusiastically supporting their work. New cadres should respect veteran cadres, modestly learn from their good traditions, good style, and good experiences concerning various fields. The veteran and new cadres must look more at each other's strong points, respect each other, learn from each other, encourage each other, support each other, and offset each other's weaknesses. Only when members of leading bodies are united as one can we do the work of the Army properly and lead the Army in opening new prospects for its various kinds of work.

In order to achieve unity, we must correctly deal with relations between higher and lower levels, between officers and soldiers, between Army and government, and between Army and people.

Superiors in units where relations between higher and lower levels, between officers and soldiers, between Army and government, and between Army and people are not close enough should, on their own initiative, hold heart-to-heart talks with their inferiors; cadres should, on their own initiative, hold heart-to-heart talks with soldiers. Army cadres should, on their own initiative, visit localities and listen to the opinions of the local government and people so as to successfully achieve unity. Tight unity within the Army, between the Army and the government, and between the Army and the people are indispensable guarantees for doing various kinds of work and accomplishing various tasks. Our cadres at all levels are public servants of the people, so they should maintain the true qualities of ordinary soldiers. If a leading cadre puts on airs, unequally treats, or does not respect his inferiors and soldiers, thinking that he is the boss and others must obey him, or if a leading cadre puts on bureaucratic airs or has an imperious bearing, he will inevitably cut himself off from the masses and will not have good relations with others in his unit. The prestige of leading cadres is not established by their position or rank, but established by their own exemplary behavior and actions. Only by maintaining the true qualities of an ordinary soldier and giving true love to the people, soldiers, and inferiors can we achieve unity both within and outside the Army, rally the broad masses of officers and soldiers around the CPC Central Committee and accomplish various tasks assigned by the party.

TO ACT IN LIGHT OF THE OVERALL SITUATION DEMANDS THAT WE HAVE IDEALS AND DISCIPLINE. Only with strong confidence in lofty communist ideals and in the final victory of our party's cause and with a firm and correct political orientation can we have vision, understand and view the situation as a whole, conscientiously act in light of the overall situation, and adopt the correct attitude toward Army reforms and the simplification and reorganization of our troops. On the contrary, if we lack lofty ideals and have no clear political orientation, we will give too much thought to personal gains and losses and only go around in circles in our respective specific situations so that we will not be able to be conscientiously subordinate to the overall situation, show concern for the overall situation, and become united as one. Instead, we would probably hinder the overall situation and destroy unity, possibly even obstructing the progress of the Army reforms and the streamlining and reorganization of our troops. Lofty communist ideals are the ideological basis of lofty behavior. The successful integration of lofty ideals with present tasks will enable our ordinary work to radiate ideological brilliance and enable us to work miracles in building the four modernizations. In the self-defense counterattack against Vietnam, our commanders and soldiers fought bravely without fearing death. They took actual actions to realize their ideals by fighting for their motherland. They understood that without a safe border, China's four modernizations cannot be smoothly implemented. That they heroically shed blood to defend the building of the four modernizations is a vivid manifestation of their lofty ideals. Many comrades wrote in their diaries and written pledges: "The needs of the motherland are my ideals," "In order to defend the motherland, my mother, I am willing to shed my blood on the border." Some martyrs wrote in their wills: "As long as our country is strong and prosperous and our people are happy, the hearts of the dead can stop beating peacefully." These heroes are models in combining lofty ideals with realistic struggle, in being conscientiously subordinate to the overall situation and in acting actively in the light of the overall situation. No matter whether fighting a war or carrying out economic construction, there must be some people willing to make sacrifices in a spirit of devotion. It is lofty and glorious of us to make brave self-sacrifices for the interests of our country and people and to push the socialist construction ahead with great strides. In the present reform of Army structure and the simplification and reorganization of the troops, our comrades are learning from the heroes and models fighting at the front. Our comrades have resisted material temptation and have given priority to the interests of the state rather than their private interests. They have voluntarily left the big cities and gone to the southern frontier to defend the country. The cadres who were being transferred to other units or to civilian work reported for duty as soon as they received the orders to go to the frontier. Comrades dealing with the aftermath have worked conscientiously without giving thought to their positions and titles. Many veteran cadres who have already retired from the leading bodies still continue to voluntarily make their contributions to Army construction. Our comrades say: The martyrs have died for the prosperity of the country and the well-being of the people. Is there anything personal which we cannot cast off? Of course, there are a few comrades who give more thought to their personal affairs than to the overall situation of the country. We should do ideological work among these comrades and help them to clearly understand the relationship between the present tasks and lofty ideals so as to raise their consciousness of being subordinate to the overall situation. This will help us solve some specific problems.

In order to act in light of the overall situation, we should not only have lofty ideals but maintain strict discipline. Ideals and discipline supplement each other. Without lofty ideals, there can be no iron discipline; without iron discipline, there can be no unified action by a powerful army to strive for the realization of the lofty ideals. The discipline of our Army is based on a high degree of consciousness. This is an important sign which distinguishes our Army from all armies of the exploiting class. In the past, at present, and in the future, we have maintained and will maintain a high degree of centralization and unity among our troops by relying on our Army's discipline. By relying on our Army's discipline, we have been and will continue to fulfill the various tasks assigned by the party and maintain our Army's combat effectiveness which is characterized by being certain of victory when launching attacks, being certain of successfully holding military positions when defending them, and being certain of breaking down all enemy resistance.

In the present reform of Army structure and the simplification and reorganization of troops, we must lay particular stress on disciplinary education and raise our consciousness of observing discipline so as to prevent the relaxation of discipline, slackness, disobedience, refusal to carry out orders from higher authorities, and other kinds of anarchical tendencies which might emerge in the course of the amalgamation, disbanding, downgrading, and transformation of military units, the changing of leading cadres, and the transfer of personnel. All cadres, no matter whether they will leave or remain, and no matter whether they will be transferred or be assigned work which does not match their previous skills, must consciously keep themselves within the bounds of the party and Army discipline, carry out in an exemplary way the party's organizational discipline, political discipline, and financial discipline, and the Army's three main rules of discipline and points for attention, carry out the instructions and orders of the Central Military Commission as well as various regulations of the general headquarters, maintain a unified ideology, a rigid style, strict discipline, and sustained vigor, maintain and develop the fine traditions of the people's Army, and safeguard the prestige of our Army.

We must seriously deal with the individuals who violate discipline, criticize them, and take disciplinary measures against them so as to educate troops, ban malpractices, safeguard the prestige of party and Army discipline, enabling troops to maintain sharp and conscious vigilance. To strictly implement discipline is another form of education. Only by combining ideological education with disciplinary sanctions can we ensure that the whole Army achieves ideological unity and acts in a unified way under the leadership of the CPC Central Committee and the Central Military Commission, and ensure the successful implementation of the party's line, general and specific policies, and instructions.

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NO ECONOMIC STABILITY WITHOUT AGRICULTURAL DEVELOPMENT, NO PROSPERITY WITHOUT INDUSTRIAL GROWTH, AND NO ECONOMIC INVIGORATION WITHOUT COMMERCIAL EXPANSION

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[Article by Jing Ping [2529 1627]]

[Text] "No economic stability without agricultural development," "no prosperity without industrial growth," and "no economic invigoration without commercial expansion." This is a valuable experience summed up by the peasants and grass-roots cadres in the practice of readjusting the structure of rural production. The three phrases combined is a simple way to express the guiding policy of the CPC Central Committee on the overall development of farming, forestry, animal husbandry, sideline production, and fishery and the comprehensive management of industry, agriculture, and commerce in the rural economy. Only by implementing this policy in an all-round way can we ensure a continuous and steady growth of the rural economy.

Taking agriculture as the foundation of the national economy is a strategic policy our party has been carrying out for many years. Is this policy changed now that the agricultural situation has improved? No. The National Conference of Party Delegates, which was held last year, emphasized: "Agricultural development is still an important foundation for the development of the entire national economy of our country. We must attach sufficient importance to its strategic position." The strategic position of agriculture is determined by its own characteristics. Raising agricultural labor productivity is a condition for the development of the social division of labor. Only when the agricultural laborers have surplus products can a part of these laborers separate themselves from agricultural production and engage in the production of other trades and professions (the number of these people will increase with the increase in labor productivity). The development of agriculture will provide nonagricultural productive departments with more labor forces and raw materials and provide nonagricultural labor forces with more food and other daily necessities. Without a stable foundation of agriculture and grain production, there will be no stable foundations for industry and commerce, and the entire national economy will not be able to develop healthily and harmoniously. Moreover, it will be difficult for us to carry out the reform, and the political situation of stability and unity will also be affected. "No economic stability without agricultural development" and "no peace and ease without the development of grain production" can be said to summarize our historical experience. We should never slacken our efforts to promote agricultural development because of the improvement of the agricultural situation, or reduce our investment in the capital construction of agriculture because of the long period and slow results of this investment, still less should we negate the position of agriculture as the foundation of the national economy because of the gradual decrease in the proportion of agricultural output value in the gross national product. In some countries, there once appeared the shrinking of agriculture in the course of industrialization. We must learn from their lessons and prevent its appearance in our country and must strive for a steady growth of agricultural production. During the period of the Seventh 5-Year Plan, the total agricultural output value should increase by an average of 6 percent a year, and there should be a steady growth in grain production so that the per capita possession of grain may be maintained at about 800 jin. At the same time, there should be a considerable increase in the per capita income of the rural population. This is an arduous task for promoting production to a new level. We must make continuous efforts to perfect and implement various policies and carry out the reform in depth. We must protect and stimulate the peasants' initiative in production (especially in grain production). At the same time, we must effectively improve production conditions by scientific methods and by making more investments so as to attain our goal set by the Seventh 5-Year Plan.

When we emphasize the importance of agriculture and grain production, we do not mean that we should return to the old path of "taking grain as the key link." For a long time past, as a result of "800 million people working hard for food," the social division of labor did not develop and agricultural labor productivity and the commodity rate of agricultural products were maintained at very low levels. This situation did not suit the development of the commodity economy and the demands of the construction of socialist modernization in our country. Judging from the experiences of many other countries in their development, the shifting of agricultural labor forces to nonagricultural productive departments is an inevitable trend. If the labor forces are restricted on limited cultivated land and the development of the division of labor is restrained, the development of the rural economy will certainly be delayed. On the contrary, if the rural industry, commerce, and service trades are developed in a planned way on the basis of steady growth of agriculture, the rural economy will surely be vigorously developed. Since the 3d Plenary Session of the 11th CPC Central Committee, we have summed up historical experiences and lessons and put forth a policy of never relaxing grain production while actively developing a diversified economy. Under the guidance of this policy, the rate of increase in our grain production has been greatly accelerated and an overall prosperity in the rural economy has been achieved. This provides us with a convincing proof in this regard.

Along with the increase in agricultural labor productivity and the development of grain production, some labor forces have quit agriculture and shifted to nearby town and township enterprises mainly engaged in industrial production. This has become a general trend of development in China's rural economy. In as little as several years, the output value of town and township enterprises has already reached 248.1 billion yuan, and some 64.10 million laborers have been employed. They form an important economic force, playing an increasing role and having an increasing influence with each passing day. First, they have helped the surplus labor find a way out and promoted the division of labor and the readjustment of the production structure in the rural areas. The shifting of surplus labor to nonagricultural productive departments is also favorable for raising the economic returns of agriculture because the land can be more intensively used by capable peasants and the scope of production can be appropriately expanded. Second, by catering to the needs of agriculture in running industry and making industry support and supplement agriculture, the town and township enterprises have already become an important pillar of the rural economy. They can provide agriculture with a large quantity of productive means and improve the conditions of agricultural production by offering all kinds of services before and after production. By developing on-the-spot processing and making a comprehensive use of agricultural and sideline products, they have increased the value of products and better satisfied the needs of the society. They can provide agriculture with large sums of money to be used in promoting agricultural capital construction, purchasing agricultural machines, developing collective welfare, helping poor townships and villages, and directly subsidizing grain production. This kind of support is undoubtedly very important to the steady development of agriculture. Third, they have given an impetus to the construction of small market towns in the rural areas and promoted economic exchanges between town and country. As a result, labor forces, funds, and technical forces are able to circulate and realign within a wider range, which is favorable to the establishment of a new type relationship between town and country and to gradually reducing the distinction between town and country and between industry and agriculture. Fourth, they have helped increase the income of the state and the peasants. During the Sixth 5-Year Plan period, the town and township enterprises turned over to the state 24.6 billion yuan in taxes, opening up a new source of revenue for the state finances. In the first 4 years of that period, the town and township enterprises paid a total of 76.5 billion yuan for the wages of workers and other laborers engaged in agricultural production, thus increasing the income of the rural residents. Fifth, they have changed the industrial distribution in our country. Rural industry has already become an important force in our national economy. Its further development will inevitably accelerate the pace of the modernization of China's rural areas, and will have a far-reaching influence on the economic development in both town and country. Facts have proved that developing town and township enterprises is an important way to achieve prosperity in the rural economy, strengthen the ability of self-development of agriculture, and enrich the broad masses of peasants. At present, in many places where conditions allow, the peasants have become rich following the vigorous development of industry and sideline production. In our country, it is impossible and unrealistic to make the profit rate of agricultural products as high as that of industrial products in a number of years by means of raising the prices of agricultural and sideline products. In order to get rich, it is necessary to rely on the development of industry, sideline production, and the tertiary industry. Generally speaking, in China's rural areas, "no prosperity without industrial growth" is just as true as "no economic stability without agricultural development."

We must relate "no prosperity without industrial growth" and "no economic stability without agricultural development" to each other and make industry and agriculture promote and support each other so that they may develop harmoniously. Only when a bumper harvest is reaped and the foundation is firm can there be better conditions for the development of industry, sideline production, and a diversified economy, and only when the latter are developed can there be greater forces to support and promote the further development of agriculture. A key to achieving an overall and harmonious development of the rural economy is to rationally adjust the economic benefits of the laborers in different trades. As far as economic benefits are concerned, there is always a comparison between grain and industrial crops in the field of crop farming, between crop farming, forestry, animal husbandry, sideline production, and fishery in the agricultural field, and between agriculture, industry, and commerce in the countryside as a whole. Under the conditions of the commodity economy, the comparison between the net incomes of laborers engaged in different trades will directly affect the distribution of various essential factors of production among various departments. In a certain area, if there is a striking difference in this respect between laborers engaging in different trades, the economy will certainly be developed lopsidedly. It probably will also bring about some social problems. For example, we often say that there will be "no peace and ease without the development of grain production" and that grain production should be ensured by effective measures. At present, however, since grain is a kind of low-profit commodity, the economic benefits of grain production are much lower than those of industry, sideline production, and commerce. Therefore, in order to ensure a steady growth of grain production, we must adopt a series of protective and harmonizing measures, such as the measure of necessary price protection, increasing investments in agriculture, improving conditions for agricultural production, raising agricultural labor productivity, and encouraging the peasants to develop industry and sideline production and to supplement agriculture with industry and support agriculture with sideline production. This is an essential measure for strengthening the foundation of agriculture and for a steady and harmonious development of the rural economy as well as the entire national economy both for the present and the future.

China's rural economy has now got onto the track of developing the commodity economy in a planned way. The steady growth of production and the rapid expansion of the scope of circulation require that agriculture, industry, and commerce develop harmoniously. At present, the second step of rural reform has merged with the reform in the cities, and the central problem is circulation. In the process of replacing the old system with the new, there have appeared many problems of disharmony, and the main problem is the obstruction of circulation. Just like a man's blood circulation, the circulation and exchange of commodities cannot stop for even a very short moment in commodity production. "There will be no economic invigoration without commercial circulation." If the circulation is held up, there will be no invigoration of commodity production. Therefore, in order to promote commodity production, it is necessary to unclog the circulation. At present, this problem still has to be solved through carrying out the reform in depth. Last year, we achieved great progress in our reform in both the cities and the countryside, and the situation was very good. This year, we must consolidate, digest, supplement, and improve the achievements we have made, develop what is good and overcome what is bad, and solve some major problems so that better results may be achieved in the reform. Meanwhile, it is necessary to conscientiously carry out investigation and study and make explorations and experiments so as to make good preparations for the next stage of reform. In the sphere of circulation, we must consolidate and expand the results of our reform of the purchasing system for agricultural products. It is necessary to gradually perfect the system of purchasing grain on contract basis and implement relevant policies so as to protect and stimulate the peasants' initiative in grain production and marketing. At the same time, it is necessary to solve the problem of grain circulation among various areas, or the problem of allocation. When solving this problem, we must take into consideration the initiative of the grain production provinces, prefectures, and countries and rationally balance the economic benefits of the areas providing grain and those accepting grain, so as to give play to their respective superiority and to gradually realize the structure of production and need of our country, which is mainly based on the balance between various areas. On the other hand, it is necessary to establish some intermediate links for commodity circulation. While doing a good job of organizing the wholesale market for agricultural products and promoting the development of a diversified economy, it is also necessary to establish some intermediate organizations for commodity circulation as well as some new channels and new commercial forms and societies, so as to solve the problem of circulation through diverse channels. In addition to the state commerce, the collective commerce in the form of supply and marketing cooperatives, and the individual commerce, which has brought the peasants directly into the sphere of circulation, it is necessary to establish on a trial basis some transregional and transdepartmental commercial enterprises, which combine both agriculture and industry, and commerce. In this way, we can break the bounds of different regions and departments and promote the relations between town and country, between producers and consumers, and between agricultural departments and industrial and commercial departments. For example, in the vegetable business, we can try to make a certain vegetable production area and a city's commercial department establish a joint company to deal with the wholesale business on the basis of sharing profits. Since the vegetables are transported to the city directly, the expenses for circulation can be greatly reduced. At the same time, the city's vegetable supply can be improved. Both the production area and the city can benefit from this. Besides, we can also make some experiments on socializing commercial service facilities. Without these measures, it will be difficult to develop a new type of commerce.

In short, we must follow the path of taking agriculture as the foundation while harmoniously developing a diversified economy so that the rural economy as well as the entire national economy can be vigorously developed.

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NEW TRENDS AND TASKS IN CHANGING ECONOMIC STRUCTURAL PATTERNS

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[Article by Gao Shangquan [7559 1424 0356]]

[Text] Counting from the 3d Plenary Session of the 11th CPC Central Committee, China's economic structural reform has lasted for 7 years. During this period, achievements have been made in rural reforms, a success that has attracted worldwide attention. Important experience has also been gained in urban reforms. The "Decision of the CPC Central Committee on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee, which has made breakthroughs in a series of important theoretical issues, guides our country as we enter a new period of comprehensive reform in which the old economic structure is moving to the new one.

New Trends Emerging in the Course of Pattern Transformation

Economic restructuring is a very complicated systems project and can also be called a second revolution. It requires correct theories as the guide. With the scientific spirit and theoretical boldness of Marxism, the "Decision" of the 3d Plenary Session of the 12th CPC Central Committee states that the socialist economy is a planned commodity economy based on public ownership. This is a great development in Marxist political economics and the theory on scientific socialism, and it serves as the important theoretical basis for taking the road of socialism with Chinese characteristics. In developing the socialist commodity economy, we must duly separate ownership from the power of operations so that enterprises will become relatively independent commodity producers and handlers. We must stress the planned commodity market and explore ways of establishing a complete market system. We must define the principle of giving top priority to indirect control and control and regulate the operation of the economy using economic, legal, and necessary administrative means. Theory stems from practice, guides practice, and is tested by practice. The process of reform is a gradual transformation from the old economic structural pattern to a new one. In the course of the transformation, China's economy is moving to the track of a double structure. At present in our economic life there exist simultaneously two methods of management, two operation mechanisms, and two price systems. They are interrelated and in a process of gradual transition. This indicates that our reform which is a very complicated undertaking, is bound to surge with great momentum. It must be noted that the double-track structure is the inevitable process of pattern transformation and serves as a bridge between the old rigid structure and the new dynamic structure. With the development of the theory on the socialist commodity economy and the operation of the economy along a dual track, in the past year, great progress has been made in China's reform both in theory and in practice. The reform has been taking good shape. The requirement of fighting the first battle and being sure to win has been fulfilled, and new noticeable trends of development have emerged.

The first trend is that horizontal economic relations are developing rapidly and vigorously. This is the most noticeable and important trend of the past year. Horizontal economic relations are something new arising in the execution of urban reforms. They are in keeping with the internal needs of the development of the commodity economy. They are a fundamental breakthrough in the old structure characterized by vertical economic relations, seclusion, and a high level of concentration. Over the past year, multi-form, multi-level, and multi-content horizontal economic combinations have rapidly developed. They have significantly surpassed the previous forms in terms of range, size, and form. The development of horizontal economic relations has invigorated the urban economy and is the only way of developing the planned commodity economy. The main manifestations are as follows: 1) The cooperation among the international departments of trades in cities has developed into an economic combination transgressing the barriers between different trades, departments, and localities and between different types of ownership. Some combinations have even developed into enterprise groups, thus smashing the management system characterized by the separation of the departments and regions at different levels, a system which stresses administrative affiliation. The Dongfeng Automobile Factory is a motor enterprise group composed of the "Automobile Factory No 2" and some 100 enterprises from more than 20 provinces and cities, with the former as the backbone. Formerly a small beverage factory, the Tianfu Cola Beverage Company in Chongqing city is now China's biggest economic combination, with a production capacity of 200,000 tons and 68 branches. It has established horizontal economic relations with 23 provinces and cities. 2) The temporary cooperation in materials and products on an item-by-item basis has moved to a long-term, multi-faceted, and multi-channeled economic combination that handles matters ranging from funds, technology, equipment, qualified personnel, production, marketing, and management to scientific research, thus promoting the readjustment of production patterns and the rational distribution of essential factors of production. 3) The combination and cooperation between enterprises has moved to that between rural towns, cities, and between economic zones. An open and fan-shaped economic network with big cities as the center has begun to take shape.

The second trend is that diverse economic forms which influence one another have been developing side by side. A diversified socialist structure of ownership with socialist public ownership as the core is taking shape. China's rural reforms have smashed the old, regional, and closed collective economic structure based on a self-supporting or semi-self-supporting economy. The development of the theory concerning the socialist commodity economy has further smashed the concept of stressing unitary ownership which is related to the product economy, thus opening the way for the development of diverse economic forms and various methods of operation. In the past year, the new economic structure under which socialist public ownership holds a dominant position and under which diverse economic forms that influence one another are able to develop side by side has replaced the old economic structure characterized by the complete separation of ownership by the whole people, collective ownership, and individual ownership and by the premature transition from a lower level of ownership to a higher one. Industries under the system of ownership by the collectives have rapidly developed. A total of 56,000 small state-owned commercial and catering enterprises have been put under flexible management. Among them, the enterprises under the system of ownership by the whole people but operated by the collectives comprised 79 percent, those directly turned into enterprises under the system of ownership by the collectives amounted to 10 percent, and those leased to the collectives or individuals constituted 11 percent. The joint stock economy has begun to take shape, thus posing a new topic for the theory and practice of reform.

The third trend is that enterprises have been considerably invigorated. In the past year, government administrative departments at various levels have made great headway in simplifying administrative procedures and delegating power to lower levels, reducing the use of mandatory planning, and in readjusting the profits to be turned over by enterprises to the state, thus providing external conditions for invigorating enterprises. At the same time, the expansion of the scope of guidance planning and regulation through market mechanism has added external pressure to enterprises. Profound changes have taken place in the enterprises' ability to compete on the market and to adapt themselves to the changing market, and in their operational objectives, investment directions, and distribution principles. Many enterprises have concentrated on the development of their internal departments, tapped their own potential, and accelerated the reform of their internal departments. They have introduced the director (manager) responsibility system, made smaller units the basis of cost accounting, developed diversified undertakings on a trade basis, raised the level of scientific management, enhanced the enterprises' abilities to adapt themselves to the changing market and to compete on the market, and earnestly explored ways to become relatively independent commodity producers and handlers.

The fourth trend is that significant progress has been made in conscientiously applying the law of value and economic levers. The control and regulation by the state of the macroeconomy has begun to move from stressing the use of direct administrative controls to the flexible use of indirect controls by such economic means as prices, taxation, interest rates, and foreign exchange rates. Useful attempts have been made to bring general social demand under control. Hence, there are bright prospects for a benign cycle in the national economy. The second step of the overall implementation of the system of replacing profit delivery with tax payments, which is the collection of new taxes for the use of resources and for the maintenance and construction of cities, and which includes strengthening the role of taxation as a lever in regulating production and circulation, has promoted the development of the commodity economy and ensured a steady growth of state finances. In reforming the price system, the principle of "combining relaxed control and readjustments and aiming at progress through measured steps" has been adopted. The restrictions on the prices of agricultural and sideline products have gradually been lifted. Charges for short-distance railway transport have been appropriately raised, price differences for different quality properly widened and regional price differences increased. Instead of "demanding uniformity to solve different problems," localities are encouraged to choose the right moment to successively loosen controls over the prices of such nonstaple foods as fish, meat, eggs, and vegetables in light of their own actual conditions and are given rational financial subsidies so that price fluctuations will be mild and price decontrols can be carried out fairly smoothly. Loosening controls over prices will enable the peasants to be more responsive to price fluctuations on the market and further the readjustment of the structure of rural production. In addition, the initial reform of the wage system in state departments and institutions and the readjustment by banks of interest rates have also accumulated useful experience for the further comprehensive application of economic levers.

The fifth trend is that the socialist commodity market has been initially developed. Opening up diverse circulation channels and bringing the role of market mechanisms into play so as to provide a sound market environment for invigorating enterprises are the internal demands for developing the commodity economy and also one important task in our urban reforms. At present throughout the nation there are more than 2,000 trading centers of all kinds where people from all parts of the country, be they business representatives of units under the system of ownership by the whole people or self-employed workers, can do business. They have played an important role in enriching market supplies, expanding sales, making up another's deficiency from one's own surplus, smoothing out the circulation of commodities, transmitting information, changing the situation of administrative compartmentalization, and boosting production. While further improving the trading centers and running the market for consumer goods well, efforts should also be made to establish a number of comprehensive or specialized markets for the means of production. At present the circulation volume of the major means of production under nonmandatory planning constitutes more than 50 percent of the total volume of the means of production consumed by society. Meanwhile, many big and medium cities are exploring and testing ways of establishing markets for funds and technology.

The sixth trend is that the rural commodity economy is vigorously developing and agricultural production is becoming more commercialized and socialized. The reform of the system of unified and fixed state purchases of farm produce is a new breakthrough. With the expanded scope of regulation by market mechanisms, profound changes are taking place in the structure of rural production. The number of specialized households engaged in commodity production and operations in the rural areas across the country amounts to 4 million or so, and the commodity rate has been raised. The development of township enterprises has accelerated the shift of the rural labor force and opened up a wider road for the industrialization and urbanization of the country's rural areas.

The seventh trend is that foreign economic relations and trade have been further expanded. The total volume of imports and exports has increased considerably and marked achievements have been made in using foreign capital. At present the number of Chinese-foreign joint ventures set up in China with state approval is 1,800; that of cooperative enterprises, 3,300 or more; and that of wholly foreign owned, 100. China has entered the international labor service market, contracted projects in many foreign countries, wholly owned some 130 transnational enterprises, and run a number of cooperative enterprises abroad.

The practice in the past year has proved that China has smashed the old, closed, and rigid economic structure, freed itself from unrealistic and fixed concepts, and discarded the old road incongruous with the present development of China's productive forces, thus taking an important step in establishing a socialist economic structure with Chinese characteristics.

Pattern Transformation and Macroeconomic Control

China's economic structural reform, which is advancing in good shape, still faces numerous problems. Particularly in the last quarter of 1984, the macroeconomy ran out of control to a certain extent. The main manifestations of the runaway growth are as follows: Industrial growth rates were too fast, the scale of capital construction was too large, consumption and credit funds increased too drastically, the price hikes of some commodities were too excessive, foreign exchange reserves dropped, and some new destabilizing factors emerged in economic life. The CPC Central Committee and the State Council promptly discovered these problems and took measures to tighten macroeconomic controls. At present the overheated economy has slowed down, a fine situation rarely seen for years in the past has emerged, and credit extension has been initially brought under control. However, some problems still merit our attention.

China's macroeconomy ran out of control to varying degrees on many occasions after the founding of the PRC. The first occasion was the "Great Leap Forward" in 1958. The second one was that "three breakthroughs" should be achieved in the number of staff members and workers, the total volume of wages, and the sales volume of grain, a move advocated in 1970. The third one was the "get going and go all out" move in 1978. Different in nature and degree from the runaway growth of the macroeconomy in the three previous periods, some macroeconomic activities that began to go out of control appeared in 1984 when the economy was developing in good shape and the new and old economic structural patterns were in a process of transformation. To sum up experience and to establish a balance mechanism for ensuring that overall social supply meets overall social demand during the transformation, it is necessary to make a further analysis of this problem.

China's experience of uncontrollable microeconomic growth on several occasions in the past is connected with the practice of putting undue emphasis on high growth rates and blindly expanding the scale of capital construction. Superhigh growth rates resulted in fund shortages, a dearth of raw and semifinished materials, and a strain on transportation and energy, and finally led to the situation in which finance, credit, foreign exchange, and the market were unbalanced and economic life was strained in an overall manner. It must be understood that since reform serves economic construction, it is bound to tremendously promote the development of the productive forces. However, in the course of economic pattern transformation, there will inevitably be profound changes in our society's economic relations, economic structure, social structure, people's life-styles, and the concept of value. Hence, there is a need to do painstaking work. Concentrating on "superhigh growth rates" to the neglect of the formidable and complex character of economic pattern transformation will delay the process of the transformation. If the notion of putting undue emphasis on "achieving quadruplication ahead of time" is regarded as the manifestation of whether or not the reform is carried out successfully and if the scale of capital construction is expanded blindly, this will surely increase the weight of the financial burden on the state, put an overall strain on economic life, and reduce the state's capability of regulating and controlling the reform. Hence, more haste, less speed. The proposal of the central authorities for the Seventh 5-Year Plan points out: "To carry out the reforms smoothly, it is necessary to rationally define our economic growth rates and to avoid blindly competing with each other for high-speed growth rates in output and output value and to avoid strain and confusion in our economic life." We must create a sound economic and social environment for the transition from the old economic structure to a new one through macroeconomic controls.

China's experience of uncontrollable microeconomic growth on several occasions in the past is connected with the old rigid economic structure. In the past, China's economic structure has lacked an internal regulatory control mechanism. On the one hand, the decisionmaking power of enterprises in operations was restrained level after level from the central to local authorities, and on the other hand, the enterprises, eating "from the same big pot" of the state, paid little attention to rational input and output in their operations. This structure was not only suited to mobilizing the whole nation to concentrate on high growth rates, but also serviceable for readjusting and slowing down the economy by using administrative means when some things went wrong with the economy. However, when there was a turn for the better in the situation, more often than not old illnesses would recur and the scale of capital construction would be expanded blindly once again. As the old structure moves to the new one, on the one hand there will be friction and contradictions between the two, which will create "a vacuum" or weaken the state's ability to manage the macroeconomy in some fields of endeavor. On the other hand, the old financial, banking, and price systems will serve to promote the enterprises which are in a process of becoming relatively independent commodity producers and handlers which tend to concentrate on their own partial and short-term interests. This will result in the runaway growth of the macroeconomy characterized by overexpansion of overall social demand. The problems cropping up in the last quarter of 1984 appeared during the supersession of the old economic structure by the new as the two structures coexisted and were the "birth pangs" prior to the emergence of the new structure. Therefore, the effective remedy for the chronic malady of overexpanded overall social demand can be but a sweeping reform. To solve this problem we must carry forward the reform instead of readjusting and slowing down the economy by using the old administrative means. Moreover, we must explore ways to seek the regulatory mechanisms inherent in the new economic structure which we are now building so as to thoroughly eliminate the causes for the runaway growth of the macroeconomy.

While conducting reforms, because we had inadequate mental preparations for the emergence of problems which might crop up during the supersession of the old economic structure by the new, lacked experience in using economic levers, economic information, legal means, and administrative means to regulate the operation of the economy, and made some errors in specific aspects of our work, the possibility of an overexpansion of overall social demand has become a reality. We must learn a lesson from this hard fact. In the past year, in initiating reforms, we have encountered some difficulties and dangers, experienced severe tests, and accumulated precious experience. With all this, we have deepened our understanding of building a socialist economic structure with Chinese characteristics. First, the pattern of economic development must be congruous with the pattern of economic structural reform and the relationship between reform and construction must be correctly handled so as to create a relatively relaxed environment for the reform. Second, macroeconomic and microeconomic reforms should be carried out simultaneously. Microeconomic invigoration is reform, as is the case with macroeconomic control. Effective macroeconomic controls will enable the microeconomy to make rapid and flexible responses. Third, the reform should be carried out in an overall and coordinated way. In conducting a single reform, we must take the general effect of the comprehensive reform into account, and the part must be subordinated to the whole. Fourth, we must correctly handle the relationship between destruction and construction. Although transition from direct management control to indirect management control is a trend in the course of pattern transformation, necessary administrative means are still indispensable. Microeconomic invigoration should be commensurate with macroeconomic control. Fifth, the professional competence of government economic managerial personnel should be suited to the needs of the reform. Pattern transformation is like replacement of an old car by a new one. The new car needs a driver with better driving skills, or it will be in as bad shape as the old car. Sixth, we must see both the necessity and urgency of the reform and its formidable and protracted character. It is necessary, through publicity work, to help the masses understand that the aim of the reform is to bring prosperity to the nation and happiness to the people. However, the transformation of the old economic structure to a new one will undergo a process involving some dangers and even take some sacrifices. It cannot be accomplished at one stroke.

A New Pattern and New Tasks

The Seventh 5-Year Plan begun in 1986 is a crucial period for carrying out the economic structural reform in an overall manner. In the 5 years ahead, or longer, we will concentrate forces on accelerating the growth and decline as well as the transformation of the old and new economic structures and basically lay a foundation for a socialist economic structure with Chinese characteristics.

To basically complete the transformation of economic structural patterns during the Seventh 5-Year Plan period, we must persist in putting the reform in the first place and we need a favorable opportunity and a sound social and economic environment. At present the major proportional relations of China's national economy, including the proportional relations between agriculture, heavy industry, and light industry and between accumulation and consumption have become very coordinated. New headway has been made in various construction undertakings. The task of bringing about a fundamental turn for the better in the state's financial and economic situation has been basically fulfilled. This has all created basic conditions for the smooth supersession of the old economic structure by the new. What is more important, over the last few years we have accumulated fairly rich practical experience in conducting reforms. The central and local authorities have come to realize that we must correctly handle the relationship between economic construction and reform and strike a basic balance between overall social demand and supply. This is the principle and condition which we must adhere to in smoothly carrying out the reform. To create a better social environment for the reform, while carrying out the building of material civilization we must make strenuous effort to strengthen the building of socialist spiritual civilization.

In order to lay a foundation for the new socialist economic structure, in the course of pattern transformation we must pay close attention to the three aspects of endeavor which are interrelated. First, we must further invigorate enterprises, in particular large and medium-sized enterprises under the system of ownership by the whole people, so that they will really become relatively independent socialist commodity producers and handlers which carry out their operations independently and assume full responsibility for their own profits and losses. Second, we must further develop the socialist planned commodity economy and gradually perfect the market system. Third, the management by the state of enterprises should gradually move from giving top priority to direct control to giving top priority to indirect control, and the operation of the economy should be controlled and regulated by mainly using economic and legal means and necessary administrative measures. These three aspects of endeavor can be regarded as the three main tasks of the reform during the Seventh 5-Year Plan period and as the basic characteristics necessary for the new economic structural pattern. If a good job is done in the reforms of the planning, price, financial, banking, and labor and wage systems in line with the above three aspects, a whole set of mechanisms and measures capable of organically combining planning with market forces and microeconomic invigoration with macroeconomic control will take shape and the embryonic form of the new economic structure will appear before us.

Enterprises are the basic cells of the economic activities of society. Whether or not enterprises, in particular large and medium-sized key enterprises, are full of vitality is a matter of crucial importance in differentiating the new dynamic and vigorous economic structure from the old rigid one. Stressing the invigoration of large and medium-sized enterprises has a twofold meaning. One meaning is that large and medium-sized enterprises hold the balance in the national economy. At present there are 5,800 large and medium-sized enterprises in our country, or about 2 percent of the nation's total number of industrial enterprises. The fixed assets and taxes and profits forwarded to the state of these enterprises constitute two-thirds of those of enterprises throughout the country. The other is that the development of the reform is uneven. Compared with small enterprises, large and medium-sized enterprises lack vitality and expansion of the decisionmaking power has not been effectively implemented in many enterprises. To invigorate enterprises, we must create external conditions so that they will have a fairly sound environment for carrying out their operations. We must further simplify administrative procedures and delegate powers to lower levels, consolidate companies of an administrative character, and directly delegate the decisionmaking power in microeconomic operation that ought to be given to enterprises. We must appropriately reduce or remit the regulatory taxes of the large and medium-sized enterprises which are well operated and have made great contributions but retained few profits, and must create conditions for enterprises of all types to compete on equal footing. We must gradually reduce the tasks under mandatory planning and give enterprises greater decisionmaking power in production, supply, and marketing. As far as the reforms in the internal departments of enterprises are concerned, it is necessary to perfect the various forms of economic responsibility system and extensively implement the rigorous quota control and quality control systems and the related system of rewards and penalties. The enterprises where conditions are ripe are urged to carry out a graded business accounting system and an absolute cost control method, and all enterprises are encouraged to lower material consumption and to attain better economic results. The director responsibility system should be perfected and the system under which a director is responsible for fulfilling the set quotas during his term of office should be tried experimentally. Through the concerted efforts from inside and outside enterprises, it is necessary to raise the enterprises' abilities to increase the competitive appeal of their products, to gain better returns on their investment, to tap intellectual resources, and to adapt themselves to the changing market. In the final analysis, enterprises should be capable of transforming and developing themselves. This is where the hope of our future economic development lies.

Establishing and developing the socialist market system is a new development of the theory concerning the planned commodity economy. If an enterprise full of vitality is regarded as the cell of the new economic structure, a complete market system is its circulatory system. It can help bring about the rational mobility and combination of various essential factors of production, provide enterprises with an ample supply of "blood," and ensure that enterprises will carry out their operations really independently and participate in rational competition. Ultimately, it can help thoroughly improve the economic results of enterprises and society. To develop the planned commodity economy, first of all we must solve the problems such as separation of the departments and regions at different levels, departmental confinement, and seclusion of the countryside from cities, open up localities to each other and cities to the countryside and vice versa, and encourage competition. While continuing to expand the market for the means of subsistence, we must vigorously develop the market for the means of production. Efforts should be made to develop the multi-tier market funds, to promote the horizontal flow of funds, and to use funds where they are badly needed by society and for projects which promise better macroeconomic results. Technological exchange activities such as transferring scientific and technological achievements on a compensation basis, signing technological contracts, carrying out technology consultancy services, and becoming a shareholder by contributing one's technical know-how, should be energetically developed. Vigorous efforts should also be made to develop the tertiary industry and to commercialize residential units so that a socialist market system with Chinese characteristics will steadily take shape.

The transition from giving top priority to direct control to giving top priority to indirect control is a fundamental change in our economic management and also the main indicator for whether or not pattern transformation has been completely achieved. To give first priority to indirect control, it is necessary to establish a new macroeconomic control system, including the systems of planning, economic levers, economic regulations and ordinances, and economic organizations. What counts here is to establish an automatic and responsive internal regulatory mechanism so that while the microeconomy is being invigorated, China's macroeconomic management work will become institutionalized and more scientific.

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REFORM AND LAW

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[Article by Liu Han [0491 3466]]

[Text] Law should serve the reform, and reform will certainly assist in further refining the law. This relation between reform and law is definite and indubitable. In order to give full play to the role of law in promoting and guaranteeing the reform, it is necessary to look into some ideological and theoretical problems in relations between reform and law.

1. Should Reform Be Carried Out Within the Scope Allowed by Our Constitution and Law?

The answer is in the affirmative. However, there are still different views on this question: One is the view that gives a negative answer to the question; and another holds that the reform can observe or break the Constitution and law. The above different views are mainly because we lack a clear understanding of the nature of this reform.

The "Decision on Reform of the Economic System" (shortened to "Decision" in later context) by the 3d Plenary Session of the 12th CPC Central Committee clearly says that this reform is to reform, under the precondition of adhering to the socialist system, a series of mutually related links and aspects of our relations of production and superstructure that are not suited to the development of our productive forces. This reform is carried out in a planned, systematic and orderly manner under the leadership of the party and government. It is a self-perfection and development of our socialist system. The nature of the reform determines that we must strictly observe the Constitution and law. This is a demarcation line of principle. We should by no means violate the Constitution and law nor should we observe the Constitution and some laws while violating others. We must be aware that the current Constitution and law are a unified and integrated whole. They must all be observed and must not be violated unless they are revised or abrogated through formal legal procedures or replaced by new law. Of course, at the same time, we should define in the form of our law an even larger number of our economic relations and activities and thus enable our law to become an important means of regulating our economic relations and activities. By so doing, we will really carry out the principle of "having law to follow, being sure to follow all the law that we have formulated, being sure to impose the law strictly, and being sure to punish all those who have violated our law." Otherwise, there will inevitably be chaos which will hinder the smooth progress of reform and make it impossible for us to attain the goal of our reform.

Our country's Constitution and law are a highly unified embodiment of the will of our party, state and people; while the reform is a strong and identical desire of the party, state and people. Therefore, our Constitution and law are entirely consistent with our reform. Observing the Constitution and law will only promote and ensure the reform and consolidate its achievements rather than the contrary.

For example, in the introduction and general program of our Constitution, there are a series of stipulations on our country's socialist economic system and a definite principle on the economic structural reform. In our Constitution, there are stipulations on the dominant role of the state-owned economic sector and the diverse economic forms and management methods on the basis of public ownership, on the decisionmaking power of our state-owned and collective enterprises over their administration and management and the democratic management in these enterprises, on perfecting the economic management system and enterprise management system and implementing diverse forms of socialist responsibility system, on conscientiously implementing the principle of distribution according to labor, on correctly handling the relations between accumulation and consumption and taking into consideration the interests of both the state and the collectives and the individuals, on the relations between economic planning and the regulation of market mechanism and on protecting the legitimate rights and interests of enterprises and other economic organizations of foreign countries and enterprises using joint Chinese and foreign capital or management in Chinese territory. These stipulations have provided very wide scope for "relaxing control and enlivening" in our economic structural reform. Of course, "relaxing control and enlivening" does not mean giving up all administration and control, but means that while relaxing control and enlivening, we should effectively and satisfactorily exercise our administration and control. This is a dialectic unity.

How should we exercise control? We do so first through our Constitution. The Constitution is the basic major law of our country and the general rules for governing our country. It has the highest legal force. The people of all nationalities throughout our country, all state organs, the armed forces, all political parties and social bodies, all enterprises, institutions and organizations must regard it as the fundamental rule governing their activities. Of course, the reform can be no exception. If we do not even observe the Constitution, the work of enlivening will lead to chaos. This is common sense.

Take our law for example. We all know that most of our country's existing economic laws and regulations were formulated after the 3d Plenary Session of the 11th CPC Central Committee (in December 1978) and the 2d Session of the 5th NPC (in June 1979). The task of reform was put forth by the 3d Plenary Session of the 11th CPC Central Committee. The "Decision" points out:

"Our country's economic structural reform has gone through years of preparations and practice." This means roughly the 6 years between the two third plenary sessions. During that period, our country revised and approved its Constitution and formulated a series of laws and economic laws and regulations, all of which are undoubtedly permeated with the spirit of reform.

Judging by its contents, the "Decision" deeply expounds on and makes clear regulations on many major theoretical and practical issues on the basis of the stipulations on the principles of reform in our Constitution. Judging by the contents of a series of relevant laws and economic laws and regulations, they not only conform to the Constitution, but also embody the spirit of the "Decision," make the contents of the "Decision" more concrete and regular, and clarify them in writing. Judging by what we have seen and heard, the major problems in our current practice are that people find that the law concerning our economic structural reform and economic construction is still not perfect, adequate, or concrete, thus fettering our reform. We should not fail to see that our law indeed plays the role of fettering or restricting by banning and even punishing some activities, but these activities are by no means reform, but are criminal activities that take advantage of our reform to violate our law. This kind of fettering, restricting, banning or even cracking down or punishing does not hinder the reform, on the contrary, it is precisely aimed at ensuring the smooth progress of our reform.

Reform must be carried out within the scope allowed by our Constitution and law. This is a view that we have gained through summing up the experience and lessons in the over 30 years since the founding of the PRC. In the past, in handling some major issues affecting the whole nation, we adopted the method of carrying out "movements," often disregarded our Constitution and law, and relied on the direct actions of the masses of people. This caused many bitter results. We must never do that again. One important guarantee for preventing that past mistake is to strictly observe our Constitution and law.

2. The Relation Between Stability and Change of Our Law in the Process of Reform

We should maintain the continuity, stability, and authority of our law. In a sense, stability is the key. Without stability, there will be no continuity, nor can we even mention authority. But stability does not mean being entirely fixed and unchanged, but means that we should skillfully combine adhering to principles with flexibility, and that we should seek a basic stability while continuing to change our law by abrogating, reforming and formulating some of it.

The requirement for the stability of law is inevitably in conflict with the continuous emergence of the new situation and problems in the course of our reform. How should we solve this problem?

The major means are: 1) We should strengthen our daily legislative activities, in particular, our economic legislative work. In the light of the needs and feasibility, we should make a distinction between what is important and what is not and between what is urgent and what is not, organize the work of drafting economic laws and regulations in a planned manner under good leadership, and then deliver the drafted laws and regulations to the NPC session or NPC Standing Committee for discussion and approval in order to turn them into laws, or to the State Council for approval in order to turn them into administrative regulations. 2) We should grant the State Council the power to formulate provisional regulations and rules to satisfy urgent needs at present and at the same time to lay a satisfactory foundation for the formulation of the law. 3) We should grasp the work of sorting out previous laws and regulations, abrogate those not suited to the demand of the reform, revise those which need to be revised, and edit those that continue to be applicable into orderly books to facilitate their observance. 4) We should properly expand the power of our provinces, autonomous regions, and municipalities in formulating local laws and regulations in order to facilitate and ensure the smooth progress of our reform. 5) In investigating inventing new ways, we should proceed from reality, draw up our plans on the basis of adequate feasibility studies, experiment within a certain area and for a certain period after obtaining approval from the State Council in order to gain experience, and then put forward proposals on revising the laws and regulations concerned or on formulating new laws and regulations.

All these are changes. In a sense, reform means changing the law. During the reform, the basis on which our law is established and the objects that our law regulates are all changing, therefore, the law itself should naturally change too. This change is simply development and progress. Essentially, not only does this change not conflict with the stability of our law, but it is precisely aimed at better ensuring the stability of our law. For the true test of the stability of our law is that its provisions should conform to the reality and be correct, and be able to play their role in practice. Of course, this does not mean that the stability of its forms is insignificant and can be constantly changed. The key here is: No matter whether we formulate or abrogate and revise a law, we must act in strict accordance with legislative procedures. Before abrogation or revision, any existing law remains in force and must be observed. It goes without saying that when a new law comes into force, it must be observed. The above is the minimum demand for maintaining the stability of our law. If there is not such a strict legislative procedure and if any organization or individual is allowed the freedom to observe, partially observe, or refuse to observe our Constitution and law according to their ideas of reform or of their own needs, then there will be no legal system at all.

3. Relations Between Law and Implementation of Law

In our reform, there is a problem of imperfect law in some spheres, but in contrast, at present the problem related to the implementation of law is even more widespread.

For some time in the past, our press journals, television, radio, and other forms of propaganda reported the cases of a small number of people who were keen on reform and who had been arrested and sued. Although the conclusion of these cases was good or the prospects for conclusion were good, still these cases gave people an impression that our law seemed to be fettering our reform. This was misunderstanding. A careful analysis of these cases easily reveals that most of these people were arrested and sued not because of the problems in our law itself, but because of the problems in the implementation of our law. There were complicated causes for these problems. Generally speaking, this was because of the serious difference in our understanding of the reform, which gave rise to a series of contradictions and gaps in the relationships between the upper and lower levels and between people at the same level. As these gaps were hard to overcome, and as they continued to grow, some people ordered others to fabricate evidence and frame the accused, or did so themselves.

In addition, some basic-level political and legal departments failed to exercise satisfactory control over the starting of cases, the approval of arrest, the preliminary examinations, the investigation, the starting of prosecutions, the hearing of cases and so on. As a result, they made the mistake of confusing the demarcation line between criminals and innocent people, regarded ordinary defects and mistakes in people's work or even achievements that ought have been commended as crimes. This showed that, in the area of the construction of our country's legal system, it is imperative to further strengthen the link of legal administrative work at the basic level.

Concerning the causes for the above-mentioned cases, it is necessary to point out the following:

First, during our reform, some new things have emerged that are "not allowed" or are even "unimaginable" in light of the rigid patterns in the past, including many new concepts, ideas, and practices. Some comrades, in particular some leading comrades at the basic level, have not yet been entirely freed from the fetters of the past in their understanding. This also applied to some political and legal cadres at the basic level. The "Decision" very relevantly points out: "In the light of the practice of our reform, we should carry out vivid education in the theory and policies of the reform among the vast number of party members and masses of people in order to enable them to fully realize that socialism with Chinese characteristics should be full of vitality and differs not only from the previous rigid pattern of socialism but also radically from capitalism, and in order to deepen their scientific understanding of socialism and make them plunge into the great practice of reform." We must continue to overcome the influence of "leftist" thoughts and the ideas that uphold following the beaten paths, standing still and refusing to make progress, thus giving everyone a correct understanding of the theory and policies of the reform, making them consciously plunge into reform, and warmly helping and vigorously supporting those keen on reform. Then there will no longer be any "prisoner who is not a criminal." Moreover, our reform will certainly be filled with boundless internal motivation.

Second, there are still some problems in understanding and implementing the constitutional principle that the people's procuratorates independently exercise their procuratorial power and the people's courts independently exercise their judicial authority free from any interference from administrative organs, social bodies, or individuals. The people's public security organs, people's procuratorates, and people's courts carry out a division of labor between them concerning their responsibility, coordinate with one another, and balance one another. In their work, they implement the principle of "all people being equal in the face of law" and "regarding facts as the basis and law as the yardstick." There should be a set of strict and effective procedures that can ensure prompt discovery and correction of any mistake. Under general circumstances, there are misjudged cases, but their number is relatively small. A relatively large number of mistakes are made when the procuratory and judicial work is directly or indirectly interfered with illegally in some form or another. These mistakes are often difficult to promptly correct. This shows that in order to strengthen the link of the administration of law at the basic level, our legal administrative organs should make efforts and have a large number of procurators and judicial officers who protect the dignity of our Constitution and law persistently and selflessly, and who implement the law unswervingly without begrudging their total efforts. At the same time, there should also be public opinion, atmosphere, and other objective conditions such as enable our legal administrative organs to act in this way. In particular, the local leading organs and cadres must support these organs in acting in this way.

4. The Problem Concerning "Reasonable But Illegal," and "Legal But Unreasonable" in Our Reform

In our reform, we often hear people say that now many things are "reasonable but illegal" or "legal but unreasonable." This is a muddled idea.

There are two situations in which rationality is pitted against legality. One is that this rationality is not the rationality which we usually mean, but it is one concerning the interests and needs of an individual or a small group of people. For example, when we deal blows at the criminals who have seriously jeopardized the public security in our society, a very small minority of people shield their children, relatives, or friends. From their point of view, what they do is "fair and reasonable." Perhaps some of them realize that it is illegal, but they think that if they refuse to do it, they would be going against the accepted code of human conduct.

In fact, the rationality in their minds is similar to that of feudal ethics which upholds "fathers cover up sons' crimes and vice versa." This is a rationality which does not conform to the interests of state and people. For another example, some people who have committed serious economic crimes think that since other people can earn large amounts of money, so will they, disregarding their methods and ways. Obviously, this is not only legal but also reasonable for people to become rich earlier than others by observing the law and through working hard and making great efforts. It is not only illegal but also unreasonable for people to become rich by means of speculation, fraud, corruption and taking bribes. Another situation is that in our reform, the words and deeds of some people who are keen on reform are often denounced and regarded as being "legal but unreasonable," "reasonable but illegal," or "not only illegal but also unreasonable." Then what yardstick should we use to check reasonableness in things?

The "Decision" has clearly and definitely pointed out: "While carrying out our reform, all comrades in the party should cling to this basic viewpoint of Marxism and regard being conducive to the development of our social productive forces as the most important yardstick to judge the advantages and disadvantages, success and failure of any reform." Therefore, if some people think that a thing is "reasonable but illegal" or "legal but unreasonable," they they are requested to think conscientiously of what they mean by reasonableness. We should not apply our own subjective criteria to judge things, but should apply the objective criterion of being conducive to the development of our social productive forces for our judgment. Moreover, we should foster a firm faith: Under the condition of consciously implementing the basic policy of "developing our socialist democracy and perfecting our socialist legal system," rationality is contained in legality and vice versa. Therefore, the two are consistent with each other.

At present, people often say something is "reasonable but illegel" or "legal but unreasonable." What they mean by legality is to follow the rules and regulations which were formulated in the past by basic-level units or which are the custom that has taken shape over a long time, rather than to follow current law. We are to reform a series of links and aspects which are not suited to the development of our productive forces in our relations of production and superstructure, including those rules and regulations. At the same time, we should realize that quite a few rules and regulations have resulted from the lessons which we have bought very dearly, even with our blood, and are therefore very valuable. Therefore, we must act cautiously and gradually reform these rules and regulations in a well-led, well-planned, systematic and orderly manner. We must be on our guard against repeating our previous erroneous practice of regarding all rules and regulations as conventions that fetter people's limbs, without making any analysis.

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PAY CLOSE ATTENTION TO EDUCATIONAL LEGISLATION

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[Article by Wu Fusheng [0702 4395 3932]]

[Text] The promulgation and implementation of the CPC Central Committee's decision on the reform of our educational system has speeded up the pace of the reform and development of our education. This new situation requires us to pay close attention to educational legislation and use it to consolidate achievements in the reform of our educational system and promote the deepening of the development of this reform.

Basic Situation of Our Country's Educational Legislation

Our educational law and regulations are an important constituent part of the entire law system with the constitution as its core. Since the founding of the PRC, we have done lots of work in the educational legislation sphere. In September 1949, the session of the First CPPCC National Committee formulated a "Common Program" in the form of a provisional constitution. This stipulated: "The culture and education of the PRC is neo-democratic. In other words, it is national and scientific mass culture and education. In doing its cultural and educational work, the people's government should regard as its major tasks heightening people's educational level, training construction personnel for the state, and eliminating feudal comprador-bourgeois and fascist ideology." This was the basic guiding thought and principle for economic legislation during the initial founding period of the PRC. During the 1950's, our country promulgated in turn, a large number of educational laws and regulations or documents in the nature of educational laws and regulations, such as the "Decision of the Government Administration Council on Reform in the School System" and the provisional regulations for schools of various levels and kinds. These educational laws and regulations played a positive role in promoting the reform and development of our educational undertakings as well as establishing and consolidating our socialist educational system. In the early sixties, in accordance with the instructions of the CPC Central Committee, the Ministry of Education summed up both the positive and negative experiences that we gained after the founding of the PRC, drew up provisional work regulations for our colleges, middle schools and primary schools, and thus provided conditions for heightening our country's educational level. During the 10 years of turmoil, Lin Biao and the "gang of four" pushed their reactionary policies, disregarded the constitution and law, and caused serious destruction to our educational undertakings and serious suffering to our vast number of educational workers. The lessons drawn from the 10 years of turmoil have made people deeply realize the importance of perfecting our legal system. During the 7 years since the 3d Plenary Session of the 11th CPC Central Committee, our country has in turn revised and promulgated some relatively important educational laws and regulations, such as "PRC Regulations on Academic Degrees" and "Methods of Higher Education Self-Study Examinations."

We have scored certain achievements in the sphere of educational legislation, but generally speaking, this sphere continues to be a weak link in the construction of our legal system. Judging by the development of our country's educational legislation since the founding of the PRC, there have been three outstanding problems: The first is that our educational laws and regulations are far from being integrated or forming a system. So far our country is not provided with a basic law on education, nor has it formally promulgated its compulsory education law. The second is that most of the educational rules and regulations are specific laws and regulations promulgated by administrative organs and very few of them are educational laws approved by the state legislature. The third is that most of these regulations and rules are internal requirements on education and that there is a shortage of rules and regulations concerning the economic and social relations of our education. Therefore, they fail to play the role of coordinating the external relations of our education. As a result, even now malpractices often occur such as: occupying school buildings and playgrounds at will; spending educational funds for other purposes without authority; using dangerous houses as classrooms; keeping teachers school and college graduates for other jobs level by level; transferring school teachers to other jobs at will; and interfering in the normal order of our school education. We must strengthen our educational legislation in order to: ensure the healthy development of our educational undertakings; improve the quality and management efficiency of our education; overcome the malpractice of acting at will. We must prevent the phenomena of many administrative organs simultaneously issuing orders, of having no rules to follow, and of getting instructions in the morning which are replaced by new instructions in the evening and thus being at a loss which to follow.

Importance and Urgency of Educational Legislation

Currently many comrades, including some comrades in our educational sector, have a weak sense of the legal system, lack an understanding of the importance of educational legislation, and think that "there is no need for law as long as we have policies." During past revolutionary wars, we relied mainly on policies to do our work because of the limitation of the historical conditions then. After the people seized state power, we should have given full play to the state's administrative role. Therefore, we should not only rely on our policies, but also establish and perfect our legal system in order to act in accordance with our law. The implementation of law is ensured by the compulsory force of the state. Law tells people what they may and may not do, what is allowed by it, and what violates it. Law has the same binding force for all members of our society. No unit or individual is allowed to act in violation of our constitution and law and every unit and individual must act in accordance with law. We need law to ensure the implementation of the party's principles and policies. The CPC Central Committee's decision on reform of the educational system sums up the historical experience in the development of our country's educational undertakings and puts forward a series of important strategic questions. In order to fully implement these major policy decisions, an important aspect of our work is to sum up the successful experience in our reform in the light of the basic spirit of, and the direction pointed out by, the CPC Central Committee's decision; formulate corresponding law; enable our educational workers to have law to follow; and thus ensure the healthy development of our educational undertakings.

Take the development of our fundamental education for example. The CPC Central Committee regards the implementation of the system of 9-year compulsory education as a major task that has a bearing on improving the quality of our nation and making our country prosper, and directs us to give priority to this task. In order to attain this goal, we should formulate a compulsory education law and thus provide powerful legal guarantees for the popularization of education. Judging by foreign experience, there must be legislation in order to popularize education and education cannot be really popularized if the government merely calls people to do so. During the Megi reign in Japan, the popularization of education is stipulated as one of the three major duties of citizens, the other two being paying taxes and military service. The law of many other countries also stipulates that parents will be economically or administratively punished if they do not let their children complete compulsory education, and that enterprise bosses will be punished if they employ school-age children. Of course, in order to satisfactorily carry out the popularization of compulsory education as a state undertaking, the state should also make some corresponding stipulations through its legislation concerning educational funds and the supply of teachers. Our country has not yet popularized its primary education. In many areas, lots of school students have left schools before finishing their study and every year new illiterates continue to emerge. In particular in our countryside, some parents merely pursue their immediate interests, tell their children to make money, and do not allow them to go to school. There is a serious malpractice of regarding men as superior to women in some areas, therefore, illiterate girls are quite common. One of the important causes for this is that we have failed to formulate compulsory law and regulations to enforce the popularization of education. Practice has proved that without compulsory education, it is impossible to popularize education, and that in order to popularize education, there must be legislation.

Take our country's vocational education for another example. Our country's socialist modernization urgently needs millions of satisfactory vocationally educated urban and rural laborers. Over the past few years, our vocational education has been given importance and developed to a certain extent, but it still lags far behind the vigorously developing economic situation in our urban and rural areas. One of the causes for this is that there is no legislation to guarantee vocational education. In particular, the labor system is out of line with the educational system. The units that employ workers attach no importance to vocational training or strict examination and assessment. For a time, the system of children taking the jobs of their retired parents became universal practice. As a result, graduates from our vocational and technical schools could not find jobs while those who took the jobs of their retired parents lacked the necessary vocational training. This has had a very unfavorable impact on our economic development and hindered the improvement of the quality of our enterprises. Therefore, in order to ensure the development of our vocational education, we must reform the irrational labor employment system and write into our law the principle of "giving people jobs only after they have received training." In the future, when our units recruit workers, they must first select the better ones among the graduates from our vocational schools. All candidates applying for jobs, in particular jobs in trades that need relatively more professional skill, must first take vocational training, pass the examination, and be issued certificates before they take the jobs, just like automobile drivers who have to pass examinations and be issued drivers' licenses before they are allowed to be drivers. In addition, we should make appropriate regulations through legislation concerning the establishment of schools, training of teachers, sources of funds, and field work sites for our vocational education. In particular, we should consider the role of our enterprises, institutions, and vocational work departments in developing vocational education. Only by so doing can there be an actual reliable guarantee for the development of our vocational education.

This is also the case with our higher education. Our higher education institutes shoulder the important tasks of training senior professional personnel and developing science, technology, and culture. In regard to the reform and development of our higher educational undertakings, if we do not make some unified national regulations through legislation, there will not be authoritative restrictions. As a result, people will act each in his own way and our system will be imperfect, our work will not be coordinated, and we will certainly not be able to do our work well. Over the past 2 years, some areas have vied with one another to establish colleges and upgrade their higher and middle technical schools, without taking into consideration whether there are conditions for running higher educational institutes. The number of higher educational institutes in the whole country has exceeded 1,000 and the situation has gone out of control. This has given rise to a new dislocation in our originally unreasonable educational structure. There is an urgent need to correct the above by means of legislation.

In short, we should act in accordance with the guiding principle put forward by the CPC Central Committee that "education must serve socialist construction and socialist construction must rely on education," and strive to closely combine our educational legislative work with our socialist modernization. Educational legislation is an objective demand that our socialist modernization has raised concerning the development of, and reform in, our educational undertakings. In particular, as our country's reform in its economic structure and scientific, technological and educational systems deepens, there will be an even greater need for powerful legal means to ensure that the development of our educational undertakings is suited to the development of our economy. It is even more necessary to meet the new demands that the new situation will raise on our educational undertakings. It will also be even more necessary to apply the means of law to conduct macro organization, administration, and leadership over our educational activities, and handle the relations inside and outside our educational undertakings. In other words, it is necessary to fix in the form of law an increasingly larger number of principles and rules governing our educational relations and activities. Reform needs legislation while legislation promotes reform. Educational legislation not only sums up our reform achievements, but it has even more important tasks in charting out paths for the development of, and reform in, our educational undertakings, urging our education and economy to coordinate in their development, and ensuring that our education always makes progress along the orientation of serving the socialist modernization.

Problems To Which Attention Should Be Paid in Doing a Good Job of Educational Legislation

In order to speed up our educational legislation, I think that at present we should pay attention to studying and satisfactorily solving the following problems:

1. We should formulate an all-round plan on our educational legislation. In the light of the objective demands and possibilities, we should make a distinction between important and unimportant, and urgent and nonurgent tasks, and carry out our educational legislative work in a planned manner. At present, we should act in accordance with the CPC Central Committee's decision on reform of the educational system and organize forces to draw up some educational laws and regulations that we need most urgently, such as vocational and technical education law, higher education law, and teachers law. In particular, we should put the formulation of the "Basic Law of Education" on the order of the day as soon as possible. As we are conducting a reform in our educational system at present, it is necessary to probe into, and conduct experiments on, many new problems. Correspondingly, there should also be a process of social practice for our educational legislation. In regard to some educational laws and regulations, we can consider the method whereby the government first formulates some provisional regulations or rules and then upgrade them to law when we have gained mature experience.

2. We should pay attention to giving play to the initiative of our localities. Some national law has not yet been formulated, but there is an urgent need for the legislation in some localities. Under these circumstances, we can allow localities to first formulate their local law and regulations in accordance with the constitution, law and administrative rules and regulations. Even after a national law such as the compulsory education law has been formulated in the future, the people's congresses of our various provinces, autonomous regions and municipalities are still allowed to formulate their local compulsory education rules in the light of the local situation, in order to decide the steps, methods and schedules to popularize the 9-year compulsory education. In fact, over the past 2 years, many provinces and autonomous regions have already done quite a lot of work in this sphere and approved some local educational laws and regulations. Jiangsu Province has promulgated the "Jiangsu Province's Provisional Regulations on

Popularizing Junior Middle School Compulsory Education" and "Jiangsu Province's Provisional Regulations on Eliminating Illiteracy." As the legislation has been made, there are laws and regulations to restrict the work and masses of people to supervise it. As a result, the soft tasks related to education became hard ones and fundamental education has developed in an all-round manner throughout Jiangsu Province.

3. We should strengthen our investigation and study and ensure that our educational legislation is established on a scientific foundation. Educational legislation is a tremendous system engineering project. Now, the time is already mature for our educational legislation, but we must fully estimate its arduousness and complexity. Law is a concentrated embodiment of a state's will. Therefore, legislative activities are of a strong policy nature and should be carried out in accordance with the state's interests and the party's principles and policies. In our legislative work, we must also respect the laws governing the characteristics of our educational work, seek truth from facts, and proceed from reality in doing everything. This requires us to mobilize and organize forces of all sectors in doing our legislative work, carry out profound investigation and study, scientific reasoning, and various experiments, and conscientiously sum up our experience. We should be both conscientious and prudent and should neither lose the opportunity nor act rashly.

Here we should particularly stress that our educational legislation should conform to the laws governing our educational work. For example, the key to improving the quality of our education is to improve the quality of our teachers. Therefore, we should give priority to developing our teachers' education. Strengthening teachers' education and training, and improving the teachers that we have already employed, are most important capital constructions in our educational work. We should grasp our teachers' education as we do the key projects in our economic construction. This is what is meant by acting in accordance with the laws governing education. When we are carrying out educational legislation, we must reflect this objective law of education and formulate, through legislation, regulations on the qualification, status, remuneration, training, and improvement of our teachers. Only by so doing can we meet the demands of the development of our educational undertakings and guarantee the quality of our school education. Stressing that our educational legislation should meet the laws governing our educational work also means that we should pay close attention to scientific research and experiments. For many problems concerning education, it is necessary to conduct experiments. The problem concerning our school system is one of them. The Soviet Union's decision to lengthen the duration of primary school education from 3 to 4 years was made after more than 10 years of experiment and research. Therefore, in carrying out educational legislative work, we must respect education and science and make our educational legislation conform to the scientific laws of education.

4. We should study and refer to the experience gained by foreign countries in educational legislative work. Since the end of World War II, many countries in the world have attached great importance to, and have adopted many measures for, their educational undertakings. One of the measures has been to strengthen

their educational legislative work. Some of their methods are worth studying and referring to. For example, their relatively perfect educational legislation. Since the war, in addition to the promulgation of its basic law of education, Japan has formulated more than 180 laws and regulations related to education including: education administration law; education finance law; school education law; social education law; and educational staff law. Take coordinating the relations between education and outside through legislation as another example. Since the 1950's, the FRG has, one by one, formulated a series of laws concerning vocational education, such as vocational education law, law to promote vocational education, and youth labor protection law. Coordinating the relations between education and outside has given full play to the role of enterprises in developing vocational education. This has enabled the close coordination between the two systems of enterprises and schools to be established on the foundation of observing the same laws. Therefore, both enterprises and schools have laws to follow and act according to laws. Take adopting legislative means to promote reform and development in educational undertakings for a third example. The United States was fiercely shocked by the Soviet Union's success in launching the first satellite, and exclaimed that its education had lagged behind. Therefore, it promulgated its National Defense Education Law, stressing the reform in the teaching of mathematics, physics, chemistry, biology, and foreign languages in their schools of various grades in order to "meet the new challenge to the United States that the Soviet Union had initiated, in classrooms." In order to meet the demand resulting from the rapid development of science and technology, since 1962, the United States has four times approved bills to strengthen vocational education and thus enabled its vocational education to develop quickly. Now, many countries in the world have in turn started their high tide of educational reform. It seems that as educational reform deepens and develops, there will certainly be new progress in educational legislative work. This trend is worth paying attention to and studying. Of course, foreign experience can only be regarded as a reference and can never be copied. In carrying out educational legislative work, we should also start from China's national conditions and proceed from our country's reality.

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SONGS OF OUR NEW SWANS--AN INFORMAL DISCUSSION ON THREE NEW FILMS WITH THE THEME OF LIFE IN THE RURAL AREAS

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[Article by Huang Mei [5435 3561]]

[Text] Just as I stepped into the new year, I saw three films reflecting the new features and new people in the rural areas: "Our Discharged Soldier," "The Enchanting Band," and "The Vagrant and the Swan." It was as if a spring wind had already swept away the freezing winter and brought a warm fresh atmosphere which stirred the heart and had great vitality.

The speed of growth attained in our nation's rural production over the last few years has rarely been seen in the past. This is basically the result of the reforms, motivating the enthusiasm of 800 million peasants and greatly liberating the productive forces. The enlivening of the rural economy has produced very good conditions for the urban reforms and for the development of the overall national economy. At present, the rural economic situation is continuing to develop and the tide of reform has reached places throughout the nation, resulting in earthshaking changes in the features of the vast majority of villages. With the improvement of the economic conditions of hundreds of millions of peasants and the changes in their life-styles, inevitably hard-to-imagine changes have taken place in ideas, mentality, thoughts, and feelings. Unfortunately, these great changes of long-lasting historical significance have been insufficiently reflected in cinematic art creations. This explains why works reflecting rural life and realities fall far behind the actual situation.

The three films mentioned above, as well as two films seen last year, "Inn of Lovesick Women" and "Wild Mountains," reveal, from different angles, the prelude to the vital tide of the rural reforms, and record a new page of history of our nation's hundreds of millions of peasants in the eighties.

As an old soldier on the film front about to retire, I wish to warmly congratulate all the creative people who worked on these films for the achievements they have realized, and also wish to warmly thank them for portraying so ebulliently, so realistically, and so vividly the images of the new people in our rural reforms and for extolling their fine spirit. I particularly wish to thank Ma Feng [7456 3526], Sun Qian [1327 6197], Gu Hua [0657 5478], Jia Pingao [6328 1627 0425], Fang Chunru [2075 4783 1172], Yang Shuhui [2799 5289 1979], and Chen Yun [7115 5366], who, although they are not professional screenwriters, have provided a very good base. These writers have long been deeply involved in rural life and are very familiar with the peasants. Thus they have been able to create these rich images of village atmosphere and the realistic and moving images of new peasants.

At present, there is a view that holds that because the reforms are being carried out in continuous turbulence, there is no fixed pattern, and it is possible that some specific policies may still be changed, we should not rush into depicting the reforms, and our creations should be a little more distant from life. Actually this is a mistaken understanding, because it overlooks the artistic laws governing a "writer." Regardless of what type of life is being reflected or what topic is being depicted, it is not "depiction of policies," and cannot be considered the "depiction of reforms." Rather it is, in the end, the depiction of people. If we do not go into life and do not understand the various changes in people's spiritual mien which have been brought about by the tide of reform, if we do not understand the various contradictions in the new and old concepts, ideological feelings, and mental attitudes, as well as different dispositions given rise to by changes in economic forms and lifestyles, but, in accordance with one model or centered on one specific reform plan, simply try to describe who is supporting the reform, who is opposing it, who is correct, who is wrong, who is the positive character, who represents the party's policies...the result will just be a diagram of the policies. We have had such films in various periods, but very few of them have left any images. In this respect "Our Discharged Soldier" and the other four films have made pleasing explorations and can be said to have achieved a breakthrough.

In "Our Discharged Soldier," when Erhu returns to his village, he is enthusiastic about starting a specialized transport household. His brother has made good preparations for him and a beautiful young woman is waiting to marry him. However, he is a party member and he discovers that in the village there is so much unemployed labor--a number of strong young men. He also discovers the straitened circumstances of the young deaf woman and her father. He feels that he has an obligation to resolve the contradictions and the difficulties, so as to help the people of his village become prosperous together. However, the road of reform is not smooth. He puts great effort into coking, but meets defeat. At the same time, he loses his beloved, and then, finally, he charges down a new road. Erhu certainly does not bring any reform program back to the village, but as an outstanding soldier of the people, the concept of the collective, the ideological feelings, and the tendencies he develops while with his troop result in his being unable to concern himself only with making his own family prosperous. He loves his village and loves his young friends. Within his fine soul, there is a broader world. Thus, even though he sacrifices the opportunity to make his own family rich and loses the one he loves, he cannot change his nature of "liking to help other people." Thus, the conflict which arises between him and his brother and with his fiancee, and which finally leads to the rupturing of their relationships, is inevitable. The experiences and fate of Erhu are not unexpected and are not arbitrarily arranged by the writer. Rather, they are what would logically be expected from the nature of a young party member and discharged soldier.

What is particularly moving about this film is that when Shui Xian is being carried in her bridal vehicle and it gets stuck in the mud and cannot move, it is Erhu who rushes in with a shovel.... He digs out the mud and fills in the hole with stones, causing his loved one to feel ashamed and guilty, and she leaves the village with tears pouring down her cheeks. He is deeply hurt by this. However, when, suddenly, he receives the second stone from Yanan, he sees that her face is both stained with mud and filled with a look of deep love. He feels a profound sympathy and a firm affection.

Finally, when, after being missing 2 months without a trace, Erhu, with a full beard and dressed in rags, meets Yanan in the already destroyed coking area, he says only one sentence: "I have spent 2 months as a Taoist, trying to obtain the pills of immortality..." Then he sits in the back of Yanan's car and they move off. This scene reminds one of the scene when he has just come back from his troop and he meets happily with Shui Xian. At the same time, the audience also feels that the sincere heart of this "immortality-seeking Taoist" has moved Yanan, and can foresee the beginning of a new life for Erhu.

The film does not explain what sort of coking skills Erhu has obtained, but people are deeply moved by his fine spirit of giving his all for the people. If all of our nation's hundreds of thousands of discharged soldiers had such a true, fine spirit, and had the spirit of the foolish old man who removed the mountain, then they could detonate a large number of spiritual atomic bombs among the 800 million peasants! If they brought into play the fine traditions of the Army, who knows how much prosperity they could bring to the country and the people, and how much in the way of abilities they could contribute to the motherland's four modernizations!

As a sister work of "Our Niu Baisui," "Our Discharged Soldier" maintains Comrade Zhao Huanzhang's [6392 3562 4545] style: The contradiction of a rich drama coming from images of very ordinary life, the outstanding characteristics of the individual characters, the changes which occur in the human relationships and the changes in feelings, give the film something of a comic atmosphere, causing people to smile through their tears, just like his depiction of the simple, stalwart youth, with complex contradictions and pain in his heart, who wears a smile tinged with tears, which causes people to feel sorry for him and feel affection for him. It can also be said that many of the comedies he directs have a farcical hue, allowing people to see that life itself is so frenetic and causing them to laugh heartily. Although the waves of life bring many tears, they cannot conceal that current which pushes forward and assails our souls. In terms of what our nation's vast rural audiences have traditionally enjoyed, I believe that this style is very necessary. In 1984, "Our Niu Baisui" was seen by 110 million people. Also, 700 million tickets have been sold for "Door of Great Happiness." The success of these two films demonstrates the above point. In the eighties our hundreds of millions of prospering peasants are laughing goodbye to the images projected in former films of peasants with worn and tattered clothes, worried looks, long faces, and continual tears.

Of course, if we wish to reflect the rich diversity of life, we should welcome a diversity of styles. In this article I do not intend to discuss what is light comedy, what is serious drama with comic touches, whether serious drama can have a comic hue, and such questions. Likewise, I do not believe that there is a need to put a label on a film before it is shown.

Whether we are talking about light comedy or serious drama with a comic hue, another vivid example of a film which brings enjoyment and excitement to people is "The Enchanting Band."

The reason "The Enchanting Band" is so fresh and appealing and so brisk and elegant is that it does not touch on the rapids and the reefs of the tide of reform and does not reflect the deep-going and acute contradictory struggles. However, the ocean of life has both grand scenes of whirling torrents and waves reaching to the heavens, and blue skies and peaceful seas, contrasting beautifully with each other. They stretch as far as the eye can see. Everywhere is full of magnificent, brilliant, tender care, making people feel relaxed and happy, and one cannot suppress a little knowing smile. This film grasps in a timely way one aspect of the backdrop of current life and grows from this.

I do not know why the screenwriter called this script "The Enchanting Band." I remember, at the end of the year before last, reading a report entitled "The Desheng Village Peasant Brass Band." I was thrilled by it and sent a letter to Comrade Ma Lin [7456 2651], who was at that time the responsible person at the Beijing Film Corporation, saying:

"I suggest that a young editor or scriptwriter have a good look at this. It is a very vivid story and a film should be made of it. It is a really laudable thing that Chinese peasants, who for several thousand years have been in such straitened circumstances, should in 2 short years raise funds for and organize a brass band to give free performances. It is a very new subject!"

However, in my mind I still had no image of "The Enchanting Band" and later I was not satisfied with the first draft of the script. Finally, the director and the writer went out into life to learn through experience and observation, and on the basis of the original script, carried out further revision. The result was a film, novel to both the ears and the eyes. Watching the film is like listening to a bright, lithe, and moving symphony, and one really feels that this truly is an enchanting band!

The achievements of the film lie in that it does not follow former structural formats. It begins with a dispute over whether there is a need to start this brass band and then centers on the images of the two sides, one of which supports the idea while the other opposes it. This creates contradictions and disputes, which show that the eventual establishment of the band is a victory in an ideological struggle.

What is interesting about the film is the great enthusiasm and fine spirit of this band of "bumpkins"--Xin Tianxi, Qu Lixin, Zhang Kuiwu, and Wei Bao--who indulge in this wild idea, and who seek, and even become infatuated with, this new spiritual life, which previously they would not even have dared to dream of.

The way the opening of the film is handled is very novel: A group of seemingly rough "country bumpkins" charges into a music shop. None of them knows the names of the instruments, but instead point, make gestures, and shout, wanting to buy a horn like a big cabbage.... This gang of "bumpkins" is not happy with the disbelieving attitude of the shop assistant and, not heeding the conductor's warning, adopt a "we have money so show us some respect" posture. They are busy arranging for the starting up of their band! With that outstanding and endearing actor He Wei playing Xin Tianxi, with his unusual temperament, the curtain opens on "The Enchanting Band."

This is just like what often happens on the road of life, when we accidentally meet a stranger who immediately gives us a favorable impression and an impression of being trustworthy, and then perhaps becomes a life-long friend.

The director said that as soon as she saw the script, she thought of He Wei. As soon as I saw He Wei in the opening scene, I also felt that he could make a success of this enchanting band. After he and Jin Shentong have drunk a few glasses, he suddenly spits out the truth: First, this band needs developing and improving! Second, I...will not marry anyone but her! When he turns his back and starts sobbing sadly, I also truly felt the fascination of He Wei and was really touched by the worry which his two loves brought him. The strength of his sobbing, the sound of which is not regular, truly tugged at my soul. In Xin Tianxi's heart, there is an enchanting song. He loves life and understands that he must "push forward singing a song." He firmly believes that we can "ask grain from the ground and fruit from the hills" and that we can also "ask a beautiful sound" from brass instruments. In his heart, he also has a firm love: "I would rather give up the last half of my life than suffer through it with unrequited love. I will not marry anyone but her." Of course, when he is arranging the band's affairs, the person in his heart--the village head Li Chunfang--also treats him badly. Her treatment of him brings a tightness to his stomach and he suffers great pain.

However, life does not disappoint those who set their mind to a task, and the two tunes in Xin Tianxi's heart are finally successfully achieved. The magnificence, dignity, and firmness of the music shakes the petrels from their reefs in the sea, and all the people in the village, on hearing the music of "the never-setting bright red sun," like the petrels, take flight and soar. Can Li Chunfang's heart perch, like a petrel, alone, outside this warm glow?

The superiority of this film lies in the harmonious blending of the enchanting band and Xin Tianxi's love problems. It again vividly proves that giving characters a realistic vividness, giving them an individuality in terms of their innermost feelings and their spiritual mien, and truly using spiritual beauty to touch the audience is very important to the success of a film. When the backbone of the film, Xin Tianxi, soars like a petrel who really loves life and sings about it, it is a fulfillment of the theme of the film, which is a song about the new life.

The peasant language throughout the film is terse and simple, always showing the true thoughts of the peasants. There are no lectures. As, together with the characters in the film, we enjoy listening to the enchanting band play "In the Fields of Hope," we likewise really hope that Li Chunfang will not give her informed opinion as a representative of writers and critics. This looks at village life from only one angle, from only one side, and even is a little fortuitous--but the interlude played by the Western band started up by the bumpkins clearly tells us that the hopes of and way forward for our nation's 800 million peasants lie in reform.

The director, Wang Haowei [3769 1170 3634], continues to maintain her style: She strives to portray, simply and naturally, the realities of life, in a lucid, smooth, and humorous way, and is good at using the details of life to portray the individual characteristics of the characters. What is appealing about this film is the novelty of the topic, and that in its simplicity it is able to evoke a special, fresh, and elegant atmosphere. Of course, the film has some shortcomings. For example, Xin Tianxi's motive for starting the band and his musical level should both have been lifted a little (not too high). At the same time, if he had been shown to have similar determination in concrete production leadership and development, then Xin Tianxi's heart would have had three tunes. Thus, perhaps, the sounds of this little enchanting band would have been more vigorous, richer, and more satisfying.

I also greatly liked "The Vagrant and the Swan," which also has its own special style. It is like a lyric poem, and also like a Chinese landscape painting with its subtle shades of light and dark. It has much of the appeal of poetry and painting. However, much like the moving images of ripples on a beautiful, peaceful lake, or a pair of magnificent circling swans in the sunlight, make a deep impression in our hearts, similarly the sad fate and destiny of the unfortunate young man and woman in the village, Mo Zhuoer and Xing Hua, are stamped in our minds. This is especially so of Mo Zhuoer, who has not even the smallest piece of land, whose family has no house, and who even goes to pick up plates and bowls in restaurants so that he can eat the leftovers. He has also been born ugly, and is thus an ugly duckling who finds it difficult to gain people's love. However, both he and Xing Hua have beautiful hearts.

Mo Zhuoer drifts from place to place, but his heart never leaves his village, Swan Lake, where there are reedy ponds everywhere and where the swans come to stay in large numbers. He decides to end his wandering career and fully bring into play his fish-raising knowledge, thereby entering the tide of the reforms. He is a good swimmer and can catch fish at the bottom of the lake. He also knows all about where the swans hide, but he has never thought of harming them as he dearly loves these swans. Also, because he is good at swimming, it is he who inadvertently is the one to save Xing Hua, who is trying to drown herself after suffering a setback in her love life. From empathy to adoration, he takes Xing Hua as the swan of his heart, but he feels ashamed of his ugliness and pushes this tender bud of love to the bottom of the lake that is his heart. He only fears that the wind and rain might stir up the lake's water, causing this tender bud to be uncovered, or that people might see the shadow of this bud through the glass-like surface of the lake. He uses all sorts of concealing devices, but finally lets the windows of Xing Hua's soul--her two perceptive eyes--discover this ugly duckling's "affection!" Mo Zhuoer finally attracts this injured swan, Xing Hua, and together they soar.

The film takes the earthy atmosphere of the southern river regions and the simple and fine hearts of the ordinary peasants, and then uses, as a clever foil, fresh individuality and the world of innermost being. The contrasting of the moving image of Xing Hua, who is delicate, deeply emotional, and loyal in her love, with the vagrant who has a sense of inferiority, whose clothes are worn and tattered, and who is ugly, is very strong. This causes the viewers to sincerely feel: The pairs of beautiful swans which continually flash before the eyes on the silver screen, flying wing to wing and soaring into the blue skies, and in the wind and rain snuggling up close to each other deep in the reeds...they are all images of the mutual love Xing Hua and Mo Zhuoer should have for each other.

Within the film there are many metaphors, hidden actions, and implied mental depictions. These are both rich in authenticity and stimulating to thought. In bumping people's souls, they produce a thrill. However, it is not a strong shock or a violent attack, but a soft comforting. Although it is light, it can, however, produce a deep reverberating pulse in the heart! This is a film strong in artistic conception and imagery. The beauty of the hidden artistic description lies in the gleam of the happy souls of Mo Zhuoer and Xing Hua as they obtain real freedom and liberation during the reforms, and also in the gleam of the director's meticulous artistry. It is truly pleasing and worthy of congratulations that Comrade Wu Yinxun [0702 5593 1789] has explored so assiduously and has striven so hard to achieve a film with ideological depth and an artistic ingenuity producing both beauty and balance!

In 1985, while many films were infatuated with the flash and glint of cold steel, seeking "box-office appeal" and neglecting artistic quality, these three films, as well as "Inn of Lovesick Women" and "Wild Mountains," reflected the new face of the villages, reflected the great changes in the lifestyles, ideas, feelings, and thoughts of the peasants, and the growing up of a new generation of peasants--actually this was the bursting forth of an incalculable, earth-shaking force which moved the heart and which for many centuries had been deeply hidden below all sorts of fetters and oppression!

Is not the changing of an ugly duckling into a white swan an extremely vivid harbinger?

Deep in the secluded areas of the borders and the wild mountains flew the lovely phoenixes Guan Yinjie and Gui Lan. Who would have predicted that in the vast and remote mountains and plains they could have flown so high and so far?

Could not all the members of the enchanting band play the bold and forthright tune in Xin Tianxi's heart?

When the fireworks in the hearts of Erhu, Yanan, and Tie Dan were ignited by the coking, where did the wicks have to burn to before they set off a great red glow? If our scriptwriters and authors are able to nestle their hearts against the great earth of the motherland, in the same way as Comrades Ma Feng and Sun Qian, who are both over 60 years of age, have done, and persist in going to the villages every year to observe and investigate, who knows how many enchanting tunes will be played?

If our female directors, like Comrade Dong Kena [5516 0344 1226], from her first film, "A Stalk of Grass on Kunlun Shan," to "Miss Ming" and "Inn of Lovesick Women," pay attention, from beginning to end, to the destiny of China's young women, and explore the beauty of their souls, who knows how many good, beautiful, sincere, and lovely souls will be found, waiting to be unearthed, among the hundreds of millions of women! How many magnificent, fragrant, and enchanting apricot blossoms, peach blossoms, cassia blossoms, and orchids are waiting to open!

Our artists should go to the villages to understand the hopes and demands of the peasants in respect of the new life, and to listen to their happy laughter!

These five 1985 films, which show the new people and new happenings in the rural areas, contrast greatly with the many mediocre and uninteresting films of the same year. These films, which reflect rural life, pursue new things and achieve new breakthroughs in ideological depth, artistic exploration, individuality of character, and depiction of inner being, as well as in acting, photography, music, and design. Of course, the three films mentioned above all have their faults in terms of their ideological depth and artistic consummation. Thus, if they were to be held up as examples and were discussed and studied, and experiences were summed up, much enlightenment and inspiration could be gained.

China is the country with the largest population in the world and the country with the greatest number of peasants. It also has the largest number of film goers, and especially of peasant film goers. Our nation's reforms started with rural reforms, and the agricultural reforms are the base and focal point in leading the way for the overall economic reforms. Allowing hundreds of millions of peasants--in fact, allowing all peasants--to bid farewell to history with a laugh, should be, I feel, the take-off point for films.

How could our talented artists who really love the people not realize this enchanting dream?

The fates of Xin Tianxi, Erhu, Tie Dan, Mo Zhuoer, Yanan, Xing Hua, and so on have bloomed in a riot of color all over the country, and they are also lucky new swans soaring in the great current of the reforms and hovering wing to wing and in flocks. All of them are singing, from their hearts, a song full of the love of life. They are singing the exquisite and Chinese-style "song of our new swans."

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CROSS SCIENCE--A STUDY INTO MULTI-BRANCHES OF LEARNING

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[Article by Sun Xiaoli [1327 3773 4409]; passages within slantlines published with underlining]

[Text] Important Significance of Cross Science in Scientific Development

In general, the development of science takes two different forms. One of them is the unilateral form of learning, while the other is the cross or multi-form of learning. The former goes forward within the realm of specialized learning that has already been formed. It studies the old and the new problems therein, and ceaselessly assimilates the results of the studies, thus reflecting that in the realm of the learning already existing in mankind's knowledge of things has become daily more penetrating and intensive. The latter goes forward in the cross realms of different branches of learning, studies the problems of the various kinds of multi-branches of learning, and thus continuously increases the fruits of the researches, reflecting that the objects and methods of man's knowledge are heading in the direction of synthesis. By means of the studies of the problems of the multi-branches of learning, the knowledge, ideas and methods in the realms of different branches of learning are joined and welded together, gradually forming a new branch of learning--cross learning.

Cross science, as is the general name for the various kinds of cross branches of learning, is still a developing concept, and is also called the science of the multi-branches of learning. Our practice is to put under the name of cross science, whatever realm of study breaks through the original limits, contents and methods of research of a specialized learning, and touches on two or more branches of learning. The scope of scientific research it covers is rather extensive. As for the many cross branches of learning which have now been generated, they may be classified according to various different ways, forms and special features. However, here we shall mainly discuss the following several categories: One is frontier learning. This is a branch of learning emanating from the study of the cross problems between two branches of learning. It may be the cross or intermix of two branches of learning of the natural sciences, such as geomechanics, biochemistry, biophysics, and so forth; it may also be the cross of two branches of learning of the social sciences, such as economic law, educational economics, and so forth; and it may also be the cross of the two large categories of learning of the natural and social sciences, such as scientific sociology, technical economics, and so forth. Another category is synthesized learning which has developed through studies of certain problems of a synthesized nature. That is to say, the research problems themselves are extremely complex, requiring for their solution knowledge in many branches of learning, and also requiring various kinds of knowledge of the natural and social sciences, such as oceanology, environmental science, energy science, and so forth. Still another category is that of horizontal or converse learning, or horizontally oriented learning, which consists of branches of learning developed from studies of various kinds of objects or certain common problems in various specialized branches of learning, such as the theory of control, theory of information, theory of system, and so forth.

With the study of the problem of cross learning as a start, and the scope of research gradually marked out, when the accumulation of the research results has reached a sizable quantity and the research contents and research methods have reached a definite degree of independence, a systematized branch of learning will gradually take shape and will have its own problems awaiting more intensive research. For example, physical chemistry and biophysics have in this way become branches of specialized learning. Hence, of the so-called unilateral branches of learning at present, many possess the characteristics of cross learning. Following the development of science, the proportion of cross branches of learning will grow increasingly larger.

The history of the development of science has shown: The frontier problem and the cross problem between different branches of learning are the vital growth points of science. This is because these problems were not originally anticipated by the various branches of specialized learning, being blank areas in the realms of knowledge and thus still undeveloped virgin soil. If scientific cultivating is skillfully applied here, it is certain that new achievements in knowledge can be attained. A century ago, Engels cited electrochemistry as an example to point out the importance of frontier learning. He said: "Regarding the contact point between molecular science and atomic science, both sides have claimed that they are not related to each other. However, /it is precisely on this point that the biggest results can be hoped for."/ ("Collected Works of Marx and Engels," Vol 20, pp 635-636) The theories of electrochemistry were developed after the electricians and the chemists had come to the understanding that the functions of electricity and the functions of chemistry did "relate to each other," and followed up with the study of the phenomena of electrochemistry. The role of the theory of knowledge possessed by cross science is its conversion of problems which the various branches of specialized learning once considered to be "not related to themselves" and hence not worth noting, into objects of study "related to themselves," thereby linking together and synthesizing the knowledge, ideas and methods originally scattered among the various branches of specialized learning and separated from each other, and thus opening up new avenues of knowledge.

The cross or converse branches of learning mentioned above, possess the special feature of being more abstract than ordinary learning. The results of the studies on them carry an important significance for the theory of methodology. For example, the theory of system tells us that in studying complex matters, knowledge from various branches of learning must be employed. If we use Di-ka-er's [4564 0595 1422] habitual research method of first making an analysis and then following up with synthesizing, then success can hardly be attained. This is because complex matters do not constitute the sum total of the various dissected parts and the nature and functions of the whole are not the sum total of the nature and functions of the various parts. The Austrian biology theorist Bei-ta-lang-fei [6296 1044 2597 5481] (1901-1972) pointed out: The traditional method carried out in studying the various parts and the various processes cannot describe wholly the phenomena of life. This type of research does not provide us with information on the coordination of the various parts and processes. In the 1940's, he created the first general theory of system and offered the populace a new line of thought radically different from that of the traditional method. This was that in regard to a system, he would start from the system as a whole and study the reciprocal relationships and reciprocal functions between the system and its sub-divisions (or factors); between the sub-divisions (or factors) themselves; and between the system itself and its outside environment, and thereby grasp the system's character and the laws governing it from the system as a whole and the developments. Although the theory of system has derived its start from biology, its ideas and method are applicable to the study of various complex problems of nature and society, and thus possesses the important functions of the theory of methodology.

In possessing the functions of the theory of knowledge and the theory of methodology, cross science will inevitably become indispensable to mankind's progress in the realms of knowledge and science.

Inevitability of the Growth and Development of Cross Science

Looking back at the history of scientific development, it may be said that in general it has passed through the process of synthesis--disintegration--synthesis again. In ancient times, because of the limitations of low level productive forces, man principally depended on the experience of sense perception to make a direct, visible and full examination of things. Although due to practical needs, mathematics, astronomy and other branches of specialized learning had appeared rather early, broadly speaking, scientific knowledge at that time was rather general and synthesized, and practically no difference existed between science and philosophy. Up to and after the growth of modern natural sciences, due to the split of scientific experimentation from the production practices becoming a special form of practice for mankind and also an important scientific research method, man has been able to employ machines and tools, and, through scientific observation and tests, to probe into the secrets of nature. Particularly after Ka-li-lui [8026 0448 3970] started a new path of study through the integration of the experimental method with the mathematical method, scientists have begun to conduct more intensively and meticulously classified experiments and studies on the various kinds of natural phenomena, and have become able to mathematically sum up the various categories of natural laws. By so doing, they have formed a series of relatively systematic scientific knowledge, and a series of specialized branches of learning in natural sciences such as mechanics, physics, and chemistry began to appear. Since then, natural sciences which had adopted the experiment-mathematics method as the principal method of study, gradually parted company with philosophy. Modern natural sciences, being relatively more advanced in learning technique, have increased man's learning capacity and accumulated a relatively rich storage of natural scientific knowledge. They are thus far more advanced in knowledge than the general and sense perception type of knowledge of the sciences in ancient times. However, the partition of sciences into various independent sectors, with people confined to studies within their respective specialized fields of learning can readily develop the trend of forming very narrow views and bring about a method of thinking which is isolated and static in looking at problems. This method of thinking hinders the development of man's knowledge.

The realm of nature is intrinsically a formation in which various kinds of phenomena are mutually related and the functions of various kinds of concrete laws are interlocked with each other. The natural world and human society are compositions which are related to each other and have interlocked functions. Between them there is no impassable gap. Human beings, to a certain degree, are the products of the development of the natural world. Since the existence of mankind, the natural world has become a vast theater for human activities. In the course of mankind utilizing and remaking nature, a humanized natural world is formed and the development of this type of natural world becomes all the more related to the development of human society. Hence, development of human knowledge must break through the limits of the various sciences which man himself has demarcated, in order that man's knowledge of nature, of society and of mankind itself can be linked up and related. Science cannot forever remain in a disintegrated state but must progress from disintegration to synthesis and then forming a whole. Early in his "1844 Manuscripts on Economic Philosophy," Marx had already made some pertinent comments. He said: "History itself is a /real/ portion of /natural history/, that is, the process of mankind's evolution in the natural world. In future, natural sciences will include sciences pertinent to man just as the latter will include the former: This will be a branch of science in itself." ("Collected Works of Marx and Engels," Vol 42, p 128)

Certain outstanding scientists, such as the German physicist Pronx who first propounded the quantum theory in 1900, have a deep knowledge of the composite nature of science. He said: Science is an intrinsic whole; its disintegration into separate departments is not determined by the nature of things but by the limitations of man's capacity of knowledge. In reality, a continuous chain exists from physics to chemistry and from biology and anthropology to the social sciences. It is a chain which cannot be broken at any point.

Since the beginning of this century, cross branches of learning have endlessly emerged in large numbers. This is a result exactly in keeping with this natural tendency of sciences proceeding in the direction of synthesis. Naturally, modern science does not simply revert to "synthesis," or replace "disintegration" with "synthesis." More correctly, it may be said that the sum total of the special features of the development of modern science is the unification of a high degree of disintegration with a high degree of synthesis. A "high degree of disintegration," so-called, refers to the branches of learning becoming increasingly minute and the branches of science becoming increasingly larger in number. And the so-called "high degree of synthesis" refers to the reciprocal relationships between different branches of learning becoming increasingly closer and their reciprocal infiltration, increasingly deeper. The new branches of learning from disintegration are frequently cross branches of learning. Disintegration comes from the synthesis of branches of learning and is also the precondition of further synthesis, whereas new synthesis is the preparatory step for the appearance of a new disintegration and new cross learning. Current science is not simply like a continuous chain but a criss-crossed solid network-structure, and cross science is a lively character on this scientific rostrum.

Viewed from the historical conditions and trend of development of cross science, the cross phenomenon appeared comparatively more early and more frequently in the various sectors of the natural sciences. Very early, a series of cross branches of learning were already formed within the natural sciences. Subsequently, natural sciences gradually infiltrated into the social sciences and the emergence of a "strong tide of natural sciences infiltrating into the social sciences" was becoming more evident. In 1914, Lenin pointed out that this tide was becoming even stronger in the 20th century. In reality, after the 1940's and the 1950's, certain sectors of learning, which in the past were closely related to the natural sciences such as mathematics for example, had gradually infiltrated into the studies of the social sciences, causing the latter to gradually assimilate the elements of quantity and rigidity. Take again, for example, the theory of system which has evolved from biology; the theory of information formed through studies on the theories of communication technology; and the theory of control which has grown from studies on the automatic control system. Their basic concept and their basic line of thought have already increasingly affected and produced strong functional effects on studies in social science. Moreover, certain problems originally emerging from the natural sciences, such as the space, oceanology and energy problems, could not avoid being related to many problems in social science and even global social problems. At the same time, the study of certain problems originally emerging from the social sector, such as problems concerning population forecast and control, has increasingly sought help from mathematics and the research methods of the natural sciences. Certain new branches of learning emerging in recent years, such as urban science, environmental science, ideological science, management science, and so on, are all of a highly synthesized type and all manifest the integration of natural sciences and social sciences. Take environmental science for example. It is related not only to the basic sciences such as earth science, biology, chemistry, and physics, but also to the technological sciences such as medicine, engineering and to the social sciences such as economics, law, sociology, education and so forth. Hence Comrade Qian Sanjiang said: "It may be anticipated that in certain respects, from the end of this century to the beginning of the next century, the era will be one of the cross sciences." The oncoming era of cross science is in reality an era of cross science embodying the special feature of the integration of natural sciences and social sciences.

Actively Promoting the Development of Cross Science To Meet the Needs of the Four Modernizations

For the sake of realizing our country's four modernizations program and catching up with the tide of global scientific development, we should vigorously promote the development of cross science, particularly the development of cross science between the natural and social sciences.

Since the 1960's, particularly during the last 20 years, cross science on the international scene has prospered with every passing day. There is daily an increasing number of blendings in different forms between natural sciences and social sciences. In certain developed countries, various kinds of influential cross science organizations have been formed, such as scholastic bodies, research structures, research centers, and so forth. Some synthetic cross science research institutes have been considered important "think tanks," while certain scholastic organs of cross branch learning have developed into international organizations. In comparison, the situation in our country, due to certain historical reasons and reasons of understanding, is rather behind in this regard and, in reality, a wide gap is still found at present between the natural and social sciences. If this gap is not filled, then our country's scientific development will be impeded.

The study and development of cross science is definitely not just up to the individual whims or wishes of certain people, but is the realistic need of the objective laws and social practices in the development of science. We should be relatively keen and, without losing the opportunity of grasping those problems of cross learning which can become the growth points of scientific development, particularly the problems in the criss-crossed areas of the natural and social sciences, be skillful in organizing the scattered forces to study them. Of these problems, many have emerged from the theoretical side but an even larger number have emerged from actual practice. The real problems which need to be studied and solved in modern society are mostly of a synthetic nature. Take for example the problems of the reform which our country is now carrying out on various sides, such as the problems of maintenance and improvement of the ecological environment which urgently need solution; problems of opening up and utilizing resources; problems of building and engineering; and various management problems of the social system. These are, in general, neither pure and simple social problems, nor pure and simple scientific and technological problems. For their solution, they do not depend solely on the natural sciences or the social sciences. Rather, to overcome the difficulties, they require specialists from various industries and trades to work in unison and devote their common efforts. In the past 3 years, the Chinese Academy of Sciences has transferred 286 persons from 19 research institutes to form a technological contingent to attack difficult problems. The contingent took on the overall study and treatment of the Huang-Huai-Hai flatland, and obtained and promoted over 40 research results. Through conducting extensive field surveys and studies of materials, it set up a mathematical model for the region's rural development and allocation of resources, and thus provided a scientific basis for the further development and treatment of the Huang-Huai-Hai region. This is a case in point of the outstanding results attained. This planned crossing of different branches of learning to link together various kinds of forces to jointly study and solve real problems of importance, serves as an important link in manifesting the superiority of our socialist system and in building socialism with special Chinese characteristics.

For the sake of promoting the development of cross science, we should highly regard and support the work of the pioneers in cross science. Generally speaking, localities which have a comparatively long history in the study of various branches of learning, and have a relatively strong force in this regard, not only have the advantage of continuing the development of the various branches of learning already in existence, but also possess beneficial conditions and strength in developing cross science. However, it is precisely these localities which can easily be fettered by traditional biases. When the research worker of one branch of learning studies the problems of another branch of learning, he will frequently be considered as "not in the right trade," and may be subjected to jeers of being "anxious to be modern," "taking a short-cut," and so forth. He may be slighted by people of the other branch of learning for not being conversant with the specialized branch. At the same time, in regard to the problem of cross learning, it may not be possible at the start to find and use suitable terms well-known to those concerned in explaining problems and matters, and this may cause the whole proposition to be regarded lightly. All this is highly disadvantageous to the development of cross learning. In reality, what is the "right trade," and how to treat "being modern" and "seeking the short-cut" can be subjected to various interpretations. In the history of science many scientists have been firmly entrenched in their specialized posts all their lives, penetrated deeply into the studies and made superior contributions. There were also certain scientists who at a specific time "opened their gates," became integrated with other specialized lines, and made important accomplishments. For example, physicist Xue Ding-e boldly invaded the biological field, employed the principles of quantum mechanics and thermodynamics to study life activities and vigorously promoted the development of molecular biology. Again, take the case of mathematician Wiener who, on the basis of many years of mathematics work, studied the problem of control of animals and machines, and became the founder of the theory of control. Currently in the world, particularly in the developed countries, many natural scientists are oriented to the social sciences, and this has become a tidal wave in the development of modern science. In our country, what can be wrong with certain people doing arduous scientific work in the criss-crossed area of natural sciences and social sciences and emerging rapidly with new discoveries? Scientific work of this kind frequently meets with such difficulties as shortage of manpower, material power and financial power. If it is not given spiritual encouragement and material support, it may wither and die. The fruits of labor of the pioneers in cross science should be highly regarded. If we should take to task those whose work results in this respect may not be mature enough or whose theories are not sufficiently integrated, it would dampen the enthusiasm of people engaging in research work on cross learning. Naturally, regarding the studies on cross learning, it is also necessary to take note of, prevent, and overcome the scholastic style of bragging, vanity, being unrealistic and having empty pride.

In order that education may be oriented toward modernization, to the world, and to the future, it is necessary to duly consider the training of talents for cross learning. Our vision must be longer and broader and we must consider needs. Division of the students in the higher middle schools into arts students and science students, and the rigid demarcation between arts and science courses in the higher institutions of learning, do not agree with the current scientific trend. As for the kind of work aiming at integrating the arts and science courses the result will be that the courses neither belong to the arts nor to the sciences, and if no appropriate degrees could be conferred then it would be all the more irrational. All this should be speedily rectified. We should adopt certain concrete measures to organize, in a planned manner, the scientific workers in the different branches of learning, set up research centers and research organs on certain problems of cross learning, and train research students on cross learning. We can also establish certain synthetic courses, enforce a dual-degree system, link together the natural sciences, technical sciences and social sciences, and integrate philosophy with other departments of learning. It is extremely necessary to take active steps to welcome the coming of the new era of cross science and make the necessary contributions to training talented persons suited to the needs of the new era.

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COMMENTS ON SOCIOBIOLOGY AND ITS THEORY OF 'SELFISH HUMAN NATURE'

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[Article by Zhu Zhangchao [2612 7022 6389]]

[Text]

I

Sociobiology is a science which appeared in the United States in the 1970's. In 1975 the American sociobiologist Wilson wrote the book "Sociobiology: The New Synthesis." The majority of the chapters in this book are about biology and especially about entomology. A major reason this book attracted wide attention is that in it Wilson put forward the basic thesis of sociobiology. In the same period, another major representative figure in sociobiology, Trivers, also put forward some ideas using sociobiology to explain some social phenomena.

According to Wilson, sociobiology is "a science which studies the biological basis of all social behavior." It not only studies the social behavior of animals, but also the social behavior of man. It not only studies the biological source of animals' behavior, but also studies the biological source of man's behavior. In the view of sociobiologists: First, animal evolution is not only evolution in terms of form, but also evolution in terms of behavior. Thus, animal behavior is the result of tens of millions of years of natural selection. The behavior of animals and of man is the product of evolution, and they have their own evolutionary history. Second, the leading part in all processes of biological evolution is played by genes, and biological organisms are nothing but the carriers of genes. Individuals are transitory, while genes are everlasting. Genes are selfish and have a tendency to expand themselves without limit. Genes control the organism and genes control behavior, and all social behavior can be explained in terms of the theory of selfish genes. From this, they put forward the ideas of the decisive role of genes on human nature and of selfish human nature.

How did sociobiology come about? We should make a concrete analysis of this question. Some people now see sociobiology as a product of the development of modern biological science, and they mix the two together. This is not correct. We can only say that sociobiology and modern biological science are "related." At the beginning of the 1950's, natural sciences such as molecular biology and biological behavioral sciences developed quite quickly. The

American geneticist Watson and the English biologist Crick discovered, at Cambridge University, the double-helix structure of genetic material, which laid a base for the development of modern biological engineering technologies. This can be said to be another great revolution following Darwin's theory of evolution. In the 1960's, Lorenz and Tinbergen carried out systematic research into animal behavior and won the Nobel Prize. Also, the English behavioral scientist William Hamilton provided theoretical explanations for animal behavior, put forward the idea of group selection, and thereby developed the unit of natural selection from individuals to groups. We should give full affirmation to the biological results in these two periods. As to the connection between so-called sociobiology and modern biological science, it came about in the 1970's when Trivers and Wilson used much of the terminology of the previous period's molecular biology and animal behavior sciences and put forward the idea of gene selection. They held that the individual is transitory and the group is transitory. Only genes are eternal. Genes are not only the basic unit of inheritance but also the basic unit of natural selection. Genes not only determine biological properties, but also determine biological behavior. Just as Dawkins pointed out: "The basic unit of selection, and thus the basic unit of self-interest, is not a species and is not a group. Strictly speaking it is not even the individual, but genes, the unit of inheritance." In this period, Wilson synthesized the research results and called this science "sociobiology." In Wilson's view, we should have a broad explanation of the word "society." That is, "a group of individuals of the same species which are organized in a coordinated way" can be referred to as a society. In this way, "society" is not restricted to mankind and can be used indiscriminately for all biological groups. On this basis, Wilson not only used Western sociological ideas to "personify" the animals he researched in the natural world, but also on the fabricated basis of indiscriminately applying various areas of modern biological science in studying man's society, he "predicted" that sociobiology would come to dominate all social sciences.

After the emergence of sociobiology, it attracted wide attention from academic circles and also gave rise to intense arguments. Thus its reception was rather mixed. The American sociologist Daniel Baer saw it as the prime achievement of the four major social science achievements of the 1970's throughout the world. Some scholars believed it to be "a revolution in biology, the greatest development in biology since Darwin and Mendel." Conversely, scholars who opposed sociobiology called it "a theoretical basis for racism," "a theory of male chauvinism," and held that it was "genetic capitalism" and "a revival of Social Darwinism." As to whether sociobiology has made contributions to modern biology, Western scholarly circles have not reached any consensus. It should be said that, as man evolved from animals, of course the study of the characteristics of various types of animals is of assistance in understanding man's natural attributes. The investigation of the behavior of animal groups is also of help in understanding the occurrence and process of development of the social behavior of man, especially of primitive man. It cannot be said that sociobiologists are of no benefit in the study of these areas. However, in their research, sociobiologists ignore the essential differences between man and animals and thus it is difficult for them to avoid coming to mistaken conclusions. This is especially so in respect of their idea of genetic determinism, whereby they try to seek a theoretical basis for "selfish human nature." Thereby they attempt to obtain biological "proof" of this idea of "selfish human nature," which is a degenerate idea of the exploiting classes, to dress their theory in a cloak of science. In the last few years, this ideology has also had a certain amount of influence in our nation. Thus, we need to make an appraisal of it.

II

Sociobiologists firmly believe that man's nature is determined by genes. In the view of Wilson and others: "If one really wants to understand man's nature, man's life and all the environmental conditions, laws, justice, morality and so on, on which these depend, then we must have a full understanding of genes—the material base of inheritance." It is as if an understanding of genes is the key to understanding man's nature. However, we only need to use Marxist scientific methods in making a thorough analysis of this to discover that such an idea is wrong.

Genes are one of the important factors influencing biological characters and behavior. After man came into being, biological factors continued to play a certain role. At all times, man is in a flesh-and-blood relationship with the natural world. Not only does he rely on the link between his body and the natural world, but, through the links between the thoughts in his brain and the natural world, he relies on the linkage between genetic materials and his own animal ancestors. Using genes and other biological characteristics to study man's nature can be of some assistance. For example, research has shown that the level of intelligence has a certain relationship with inherited characteristics. But sociobiologists negate man's social nature, overstress the biological role and take genes as the deciding factor in man's nature. This cannot but give rise to false conclusions. If genes determine man's nature, then there is no way to explain the imbalance between genetic changes and changes in man's nature. Biological research has shown that the rate of genetic mutation is very small and thus the rate of genetic changes is very slow, while the development of man's nature is much faster. If we compare primitive intelligent man with modern man, there has not been much change in the genes. However, over the last several hundred thousand years, man's society has changed from making stone tools to automated production, from polygamy to monogamy, from barbarism to civilization and man's culture has undergone great changes. These changes cannot be explained by changes in genes.

Genetic determinism likewise cannot explain changes in people's natures in the course of their lives. Men develop from fertilized ova, at which time their genes are fixed. During the course of a life, the genes will not change and, according to the theory of genetic determinism, man's nature likewise will not change. However, in fact, people's natures constantly change in the wake of their growth and aging. Man's nature as a child is very different to man's nature as an old person. A particular person in different stages of development has different psychological characteristics and features. Also, there are other rapid changes in man's nature. Prodigal sons can come home and good people can turn evil. If it is genes which decide man's nature, such things would not happen.

Genetic determinism has even less capacity to explain the acquired attributes of man's nature. If man's nature is determined by genes, then people's good or bad nature would be congenital and education and environment would play no role. But there is no such thing as congenitally determined nature. Man's nature is gradually formed through the social environment. If men are divorced from man's environment, they will become idiots or have an animal nature. In May 1972, people in India discovered a wolf-child. The wolf-child did not want to play with children and liked to be with the dogs. He could rip apart and gulp down a small chicken, and liked to eat raw meat. He could not talk and could only growl. Although he had human genes, he did not have a human nature. Throughout man's history, many such feral children who have grown up away from people have been discovered. They have all been like the case noted above.

In respect of these weak points, Wilson made some alterations to his theory. He put forward the theory of double-nature genes, which holds that social behavior of mankind is to a large degree controlled by the double-nature genes, and the double-nature genes to a certain degree change their roles in response to their environment. However, since genes determine everything, are double-nature genes not then genes? They should also be able to determine everything, so how is it they can change their functions under the influence of the environment? Wilson also made some alterations in respect of the contradiction between the stability of genes and the changing aspects of man's nature. Wilson used the economics term "multiplier effect" to explain the great effects which can result from small changes in genes within a short period. However, in respect of how small changes in genes during a person's lifetime can have such a great effect on people's nature, Wilson only provides subjective ideas, no scientific basis. The error of genetic determinism lies in that it puts the biological nature above all and completely negates the social nature.

Man is the highest product of the evolution of life on earth, is intimately related with the biological world and retains various characteristics of his animal ancestors, such as the patterns of inheritance variation and the succession of the old by the new. As Engels said: Our bodies together with our flesh and blood are all parts of the natural world. Thus, men cannot avoid retaining their natural attributes, while they also have biological natures. However, the biological nature is not man's essential nature. Man's essential nature is his social nature, and his natural attributes are changed by the continual changes in his social attributes. Even man's natural life-span has been extended through social development. Thus, man's social attributes play a leading and controlling role in man's nature. Also, man's natural attributes are determined by his social attributes. While man's various biological factors have a certain influence on his behavior, these are manifested under the influence of the various social factors. Only thus is man's nature different from that of animals. "Man's nature is not an intrinsic abstraction of individuals. In actuality, it is the sum total of all social relationships." ("Selected Works of Marx and Engels," Vol 1, p 18) This is a truth proved by all of human history.

The inheritance of genetic materials is not the deciding factor in influencing man's nature. Ma-er-gen [2302 1422 2704] pointed out that mankind has two types of hereditary processes. One type is the inheritance through genetic materials. These provide the biological conditions for mankind's development. The other type is inheritance of the culture and knowledge created by human society and inherited through imitation, language and writing. Man's culture and knowledge, as mankind's cognitive world and crystallization of his transformation of the world, breeds generation after generation of people, have a great effect on man's behavior and provide the social conditions for mankind's development. Following social development, societies based on culture and knowledge played an ever-increasing role. Man's nature continually changed in the wake of changes in the relations of production in the society and in the various social relationships which had these as their base, and following the increasing role of man's knowledge and culture.

III

The reason sociobiologists put forward the idea of genetic determinism is to prove their theory of "selfish human nature." Dawkins in his book "The Selfish Gene" said: "An outstanding characteristic of genes is their natural selfishness. The selfish nature of genes often leads to selfishness in an individual's behavior." Wilson declared: "Genes are selfish. They are the basic unit of selfish behavior and are also the reason for the selfish behavior which occurs at every level of life's activities. In the theory of sociobiology, selfishness is one of the basic natures of life." (See "Sociobiology: The New Synthesis," p 40) He also says that "giving" is a type of self-benefiting behavior: "Now I will give you something, later you will give me something." "Helping" is also self-benefiting behavior: "At this time you help me and, when you require, I will be your friend." Some sociobiologists say this in a more thoroughgoing way. "All of man's behavior, even if it is saving a stranger from drowning or giving a present of 1 million to a beggar, are in the end all actions of self-interest." To sum up their views: All actions of all people are, in the end, selfish.

Is man's nature really selfish? No, it is not. For quite a number of years after the birth of human society, mankind lived a primitive communist life with common labor and egalitarianism distribution. There was no private property and no concept of private ownership. The graves of primitive society show that clan members had equal positions and, apart from tools for personal use, all property was commonly owned. Language research has shown that mankind had the linguistic term "we" very early on, while the term "I" only became separate much later. Even primitive mythology reflected this point. Prometheus gave his life to steal fire, the female monarch thought nothing of hardship in repairing heaven, Shen Nong risked dangers in testing the hundred herbs. Great Yu also regulated the rivers and watercourses so that they would flow past the door rather than inside. All of these show that man's nature in primitive society was not selfish. In fact as there was no private property in primitive society, there was no basis on which "selfishness" could occur. Quite the reverse, primitive society's low level of production required that men rely on the collective as only thus could they ward off wild beasts and survive hunger and cold. Thus, human behavior in primitive society had no basis for selfish actions.

As to classed society, not all actions of all classes were selfish. There were both unselfish classes and unselfish behavior. The proletariat owned nothing. Their low class position and class interests determined that only by liberating the whole of mankind could they be liberated themselves. Thus, they were destined to be a selfless and unselfish class. In Chinese history, there had been those who had risked their lives for right, some pleaded for the people, some worried before everyone else worried and enjoyed themselves only after everyone else enjoyed themselves. Their actions were not selfish. Lu Xun referred to them as China's backbone. In foreign countries, many people have also given themselves for their country, done things in the interests of the people and devoted themselves to truth. The ideas of sociobiologists which take selfishness as man's basic nature accords with neither the actuality of the world's people nor the facts of the development of human history.

In a society with private ownership, there clearly exist selfish concepts and selfish behavior. But these are the products of historical development. With the disintegration of primitive society, private property appeared in human society. This gave rise to a struggle for private property between social groups and between individuals, producing conflicts of interests. As this was reflected in the societies in man's mind and concepts, people gradually became selfish. As the system of private ownership developed, this selfishness was continually strengthened. However, following the great enriching of social products and following the gradual elimination of the distinctions between town and country, industry and agriculture and physical and mental labor, mankind will again enter a society in which there is selflessness and no selfishness.

Saying selfishness is mankind's basic characteristic is the same as saying one is completely ignorant of history and saying that all man's noble actions are worthless. By inference, Washington proceeded from selfish motives in leading the American War of Independence and Lincoln proceeded from selfish motives in launching the slave emancipation movement. If this is the case, what heroes are there in history? Also, if one takes all man's actions as selfish, it is not possible to explain the various noble actions in modern society. Giving oneself to save others and assisting others before oneself are, in the eyes of the sociobiologists, other forms of selfishness. It is in this that their great ideological confusion arises. A New England man who rescued another person from drowning and thereby won a Carnegie Prize, wrote a letter to Wilson asking him whether his saving of the person was determined by genes. Wilson could only vaguely reply: "Although the impulse and emotions which arose after he made a concealed decision in accordance with reason had been determined long ago, this cannot play down the rationality of the value of actions of helping others." As, in Wilson's view, helping others is nothing but "another tactic of selfish genes," what logic is there in this?

Saying that selfishness is man's basic nature, seeing selfishness as a common mentality of mankind and seeing all man's behavior as selfish is without doubt a fabricated base for a selfish philosophy of everyone for himself and the devil take the hindmost. As man's basic nature is selfish, then the

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social phenomena of each person trying to outwit others and seeking things by force and trickery are quite rational things. As selfishness is the common characteristic of all mankind, there are no moral or spiritual crises in capitalist society. If they did exist, sociobiologists would believe that they are normal phenomena which accord with man's basic nature. It can be seen that these ideas of sociobiologists are reflections of spiritual crises in capitalist society and are also an attempted defense of this crisis.

IV

Sociobiologists believe that sociobiology has discovered man's basic nature and has found the source of man's nature. Thus, they try to establish a huge system whereby sociobiological concepts are used to explain all social phenomena. Within this great system "sociobiology and other social sciences as well as all the humanities will be the newest branches of biology." Trivers predicted: "Politics, law, economics, psychology, the study of mental illness and anthropology will, sooner or later, become branches of sociobiology." With lofty aspirations, the sociobiologists try to use sociobiology to "lay down a new base for the social sciences," and to use sociobiology "as a new avenue by which to understand the basic nature of man." They have indeed started to march toward the various fields of the social sciences. Some scholars use sociobiological concepts to study politics and believe that man's biological nature is completely capable of giving rise to man's political behavior, and that people's relationships in terms of their social strata have their origins in biological characteristics. Some other scholars believe that political authority has its origin in people's biological instincts. In brief, they see political behavior as an extension of biological behavior. Sociobiology has also seeped into sociology. The anthropologist Napoleon Chagnon discovered that the Yanumamu tribe on the border of Venezuela and Brazil still have the customs of drowning female babies and seizing wives from other tribes. The sociobiologists Lionel Tiger and Robin Fox believe that this is a type of "behavior guided by a biological order." In addition, the sociobiologists see war as a dissemination process for inherited genes. Music and dance are also seen as having their origins in biological instinct, and so on.

Clearly, human society has come about through the development of biological groups. Because man's social behavior could not be fixed like a fossil early on, the exploration of animal group behavior has a definite reference value in studying man's social behavior and its development processes. However, sociobiology's arbitrary expansion of the applicable limits of this science is greatly erroneous.

Sociobiologists completely ignore the differences between human society and animal groups. Animal groups and human society have a certain relationship in terms of historical origins. However, the two are completely different in terms of their nature. Although, in a generic sense, it is possible to use the formulation "animal society," in a strictly scientific sense only man can have a social nature. It is something which animals do not have. This is one of the basic indications of the difference between man and the animals. Engels pointed out: "Following the appearance of completely formed man, there was produced a new factor--society." ("Selected Works of Marx and Engels," Vol 3, p 512) Marx, in exploring the scientific implication of "society" also clearly pointed out: "In brief, social relationships between people as they engage in production, that is, the social relations of production, change and develop in the wake of changes and developments in the material means of production and in the productive forces. The relations of production, in their totality form the so-called social relationships. They form what is called society." ("Selected Works of Marx and Engels," Vol 1, p 363) That is to say, the essential significance of society is as the summation of production relationships. Animals do not have such relationships. Animals depend on nature for the maintenance of their existence. They can only passively accord with the natural world. But in human society it is possible to make use of tools to produce the material means of subsistence. Man not only can accord with nature, but can also understand nature and transform nature. The relationship between animals at most is a biological relationship. But the relationships between men in society are social relationships based on the different level and stages of the development of the productive forces and the relations of production. It is precisely this contradictory movement in the social base which determines the changes, replacement and transformation of social systems. This also determines the nature and contents of the forms of social consciousness. Basically the weak point of sociobiology is that it makes no distinction between the forms of social movement and forms of biological movement, which have different bases, and thereby follows the same old disastrous road as Social Darwinism.

Sociobiology does not concern itself with the appropriate limits of biology and arbitrarily expands views which are truthful in the biological sphere into the field of human society, thereby causing truth to become fallacy. Dialectical materialism tells us that every truth is a specific truth and each has its own appropriate limits. When these limits are exceeded, "one only needs to take a small step, even though it seems to be a small step in the same direction, for truth to change to error." ("Selected Works of Lenin," Vol 4, p 257) The natures of human society and animal groups are different and the laws of their movement and development are different. Animal groups accord with the laws of the theory of evolution and the laws of biology, while human society accords with the laws of social development. In the same way as the laws of human social categories and development are not appropriate for animal groups, the biological laws with which the animal groups accord cannot be indiscriminately applied to human society. Engels, in criticizing Spencer's theory of social organisms, pointed out that the basic differences between humans and animals is that animals can at best gather food, while people are able to engage in production. If only for this single and basic difference, we cannot indiscriminately apply the laws of the animal world to human society. This pertinent and precise criticism by Engels is very applicable to some of the sociobiologists.

When sociobiologists apply the laws which are relevant in biology to mankind, the methods used are comparison and analogy. These two methods, especially analogy, have a certain epistemological value, and in understanding similar living things, have a certain reference value. However, if we are to understand the basic nature of a particular living thing and its differences with other living things, we cannot reach our goal by just using these methods. Human society and animal groups have basic differences, and there are essential differences in the laws which apply to them. How can we easily affirm conclusions obtained through the use of analogy? Much less can we accept the conclusions, given that Wilson, in using comparison and analogies, applies a great amount of subjective arbitrariness: On the one hand, he uses a great amount of observed animal behavior to explain human society, and on the other hand he compares the phenomena of human society with those in animal society. For example, he uses terms such as slave system and social level to explain animal groups, with the aim of having people believe that animal groups and human society are the same. An important reason sociobiologists lose their footing is that they are not strict in their methods.

In brief, from the appraisal above we can see that sociobiology has appeared in a situation where the capitalist spiritual and moral crises are daily becoming more severe. It tries to demonstrate that the degeneration of man's nature in capitalist society is produced not by social decadence, but rather is determined by man's genes. In this way, it "ingeniously" absolves the various social problems in capitalist society. Sociobiology is deeply impressed with the brand of capitalist spiritual and moral crisis, and panders to the mental needs of the rulers of Western society. It can be said that basically this is a theory which propagates "selfish human nature." In how we look at this theory, we cannot blindly esteem it and much less can we propagate it as a theoretical basis for "selfish human nature."

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STUDY BASIC MARXIST THEORY, IMPROVE THE 'FOUR QUALITIES' IN WORK

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[Article by Lu Zhichao [4151 0037 6398]]

[Text] The National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee before and after it have clarified for us the orientation of our progress and our current tasks. In order to smoothly fulfill these tasks, in his speech to the National Conference of Party Delegates, Comrade Deng Xiaoping put forth a new requirement, namely, all cadres, old or new, must study basic Marxist theory. Comrade Deng Xiaoping said: "I hope that the CPC Central Committee will make truly feasible decision to enable all the cadres of the party at various levels, especially leading cadres, to spare some time for their study amid their busy work in order to become familiar with basic Marxist theory and thus improve their sense of principle, systematicness, foresight, and creativeness." To be more concrete, the practical significance in becoming familiar with basic Marxist theory is most importantly shown in these "four qualities" pointed out by Comrade Deng Xiaoping.

I. On Strengthening the Sense of Principle in Our Work

A sense of principle means that in observing and handling problems, we should start from the essence of things and the laws that govern the development of things and we should have clear and scientific criteria. The sense of principle in our work cannot be separated from our understanding of Marxist theory.

Generally speaking, things in the realm of theory are related to the essence of matters and to general laws. They are therefore relatively stable. Basic Marxist theory is not only the outcome of analyzing capitalist society of over 100 years ago and summing up the experience gained in the struggle of the working class then, but is also scientific truth that has been learned through critically inheriting the rich ideological and cultural legacy that the human race has accumulated for thousands of years and through summing up the fundamental laws governing the development of nature and society, and it is a perfect scientific system. Marxist theory does not stagnate, but develops as times develop. As practice and science develop, it is even more necessary to change some aspects of the form of Marxist theory in order to make it more correct and richer in content. However, the basic principles of Marxism are relatively stable and universally applicable. Of course, these universal basic principles should be flexibly applied in the light of actual conditions. A sense of principle is not in conflict with, but interacts with flexibility. When we are doing various aspects of our work, we are faced with a complicated, very different, and always changing actual situation; therefore, we must proceed from the concrete situation and adopt flexible and diversified principles and policies. However, we must rely on basic Marxist theory in grasping the essence of things amid the complicated situation, in understanding the universal laws that govern very different things, and in making clear the orientation of the development of things that are quickly changing.

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has made great efforts to bring order out of chaos. From a theoretical point of view, this is aimed at correcting the dogmatism, pragmatism, idealism, and metaphysics in our "Great Cultural Revolution" and other "leftist" mistakes before it which ran counter to Marxism and at returning to the correct stand, viewpoint, and methods of Marxism and thus restoring and establishing a series of Marxist theoretical and political principles. As these principles reflect the essence of things and the laws governing things, as they manifest the basic nature and fundamental orientation of our undertakings, and as they conform to China's reality and Chinese people's demands they are stable and unshakable. For example, we have reestablished the ideological line of seeking truth from facts; we have corrected the "leftist" mistake of "regarding class struggle as the key link," realized the switching of the focus of the whole party's work, and concentrated our strength on developing our social productive forces; we have put forth and adhered to the four basic principles and regard them as vital for our country's survival and as the basis for our formulating our domestic and foreign policies; we have persisted in carrying out reform in our economic structure and science and education and implemented a series of basic principles to enliven our economy at home and open up to the outside world in order to meet the demand resulting from the development of our social productive forces; in our economic structural reform, we have developed diverse economic forms and management methods and encouraged some of our people to become rich earlier than others, while at the same time, we have adhered to the principles of giving the publicly owned sector a dominant position and becoming rich together in order to make our reform develop smoothly along a socialist orientation; while regarding the realization of the four modernizations and our economic construction as the key tasks and goals of our struggle, we have put forth the tasks of developing a high degree of socialist democracy and building a highly developed socialist spiritual civilization; and we have reiterated our party's communist ideals and faith and purpose of serving the people and also the various party spirit principles concerning our party building and party style. Under these major principles, there are also a series of relatively more concrete principles concerning the various aspects of our economy, politics, cultural development, and party building. All these principles are based on basic Marxist theory and are the outcome of integrating the universal truth of Marxism with the practice of our country's construction. In this process, we did not simply copy Marxist conclusions, but proceeded from China's reality, flexibly applied the basic principles and methods of Marxism, and thus achieved new development in theory. Some specific theories of Marxism, such as the viewpoint that there is no commodity economy in socialism, have been proved unsuited to the reality of our construction; therefore, our party has bravely made a breakthrough in theory and put forth the view of planned commodity economy on the basis of socialist public ownership. In the past, we overlooked some Marxist viewpoints, such as the viewpoint that the fundamental task of socialism is to develop the productive forces. Our party has gained a new understanding of this principle from its historical experience and greatly developed this principle and integrated it with the practice in China. Concerning many problems regarding the nature of the laws that govern our socialist construction, we are carrying out research and summing up new theories on them in the light of our practical experience. However, whatever the changes in these concrete theoretical viewpoints, facts have proved that the basic theory, basic principles, and methods of Marxism remain entirely applicable today. The problem is that we should correctly master them, relevantly apply them in studying and solving practical problems today, and develop them in our practice. Lenin said that a policy of principle was the only correct policy. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has formulated a series of basic policies. All these policies are correct policies of principle and have stability and continuity, because they have been profoundly based on integrating the fundamental principles of Marxism with China's practice. Therefore, we must conscientiously study and thus become familiar with basic Marxist theory. Only by so doing can we deeply understand them: not only their content, but also the reasons for them. Only by so doing can we improve our sense of principle in our work and in the process of actually implementing and publicizing these policies and can we refrain from wavering because of a temporary change in something specific.

Facts in our real life have proved that some of our comrades fail to have a strong sense of principle. In their ideological understanding and work, sometimes they commit various deviations and mistakes, which are all related to their inadequate study of basic Marxist theory and their inadequate understanding of the principle nature of our party's policies. For example, for a time, our newspapers carried inappropriate propaganda about high consumption and neglected the propaganda about practicing thrift in building up our country. This was because we failed to adhere to the principle of seeking truth from facts and proceeding from China's national conditions. In the process of opening up and enlivening, some comrades fail to have a clear understanding concerning, or sufficiently strongly resist, the erroneous idea of "pursuing money in doing everything," and even follow this unhealthy trend. This is because they fail to correctly understand the planned commodity economy based on socialist public ownership and forget the party's communist ideal and purpose of serving the people. Others fail to be on their guard against the bourgeois ideological tide of liberalization and the bourgeois views on democracy and freedom and even sympathize with and support these views. This is because they overlook the importance of adhering to the four basic principles. Still others doubt the reform itself when they see the emergence of some negative phenomena in the process of reform. This has something to do with their lack of understanding of the fundamental task of developing our productive forces and the correctness and necessity of our reform. There are often drastic prevailing trends in our society. When one of these trends prevails, always there are some people who waver in their actions and thinking. The masses of people often criticize our propaganda, saying that it keeps changing from one extreme to another. Apart from other reasons, I am afraid that one of the important reasons for the emergence of these phenomena is our inadequate mastery of Marxist theory and our lack of consistency with principle in doing our concrete work and carrying out propaganda. From this we can see that in order to heighten our sense of principle in work and in order to prevent wavering in implementing and publicizing the party's policies, we must conscientiously study and become familiar with basic Marxist theory. We can say that for our cadres, in particular leading cadres, a sense of principle is an important indication of their Marxist theoretical level, while studying basic Marxist theory is a fundamental way to heighten our sense of principle in work. When Comrade Deng Xiaoping stressed the importance of theoretical study, he gave priority to that. This is worth our conscientious consideration.

II. On Heightening the Systematicness in Our Work

Basic Marxist theory is a reflection of the universal laws of things. It enables us to have a general view of the all-round situation of things and to understand the relations between things. Theoretical thinking is important because it can upgrade unorganized factual experience and turn it into systematic understanding and can observe things with interconnected and systematic viewpoints. When Engels criticized empiricism, he said: "However much one locks down on theoretical thinking, without theoretical thinking, one will find that one cannot even link any two natural facts of nature, or cannot even understand the relationship between the two." ("Selected Works of Marx and Engels," Vol 3, p 482) Now, quite a lot of comrades are paying great attention to studying and applying systems science. From the point of view of the research in our science and technology and in certain aspects of our social sciences and our economic, social administrative, and managerial work, this is indeed necessary. However, at the same time, we should also see that systems science as a concrete method of scientific management cannot be regarded as being as important as Marxism, which is a world outlook and a methodology. Marxist theory not only studies and expounds on the laws governing the development of, and the internal relationships in, the whole of society, including its economic, political, ideological and cultural experiences, it also discloses the internal relationships and the laws of the entire world, including the laws governing the development of nature, society, and people's thinking. We must conscientiously study, become familiar with, and master basic Marxist principles and methods. Only by so doing can we heighten the systematicness in our various work.

Our economic structural reform, which is given first priority among all other work, is a very arduous and complicated social systems engineering project. In doing any economic work, it is necessary to satisfactorily handle the relation between reform and construction. In carrying out the reform itself, it is even more necessary to satisfactorily handle the relations between various sectors, such as those between rural and urban reform, between planning and the market, between the state, the collective, and the individual in distributing benefits, between the reform in various economic departments, and those concerning the cooperation and coordination between various reform measures. We should regard our reform as a system and grasp it from the plane of the whole situation. In carrying out the reform in various aspects of work and in various sectors, and in adopting various concrete reform measures, we must consider and satisfactorily handle various relationships. In order to satisfactorily do that, we are required to become genuinely able, through our study, to apply the Marxist viewpoint of seeking truth from facts, the methods of dialectical materialism, and the relevant economic theories of Marxism. Both the decision on reform of the economic system by the 3d Plenary Session of the 12th CPC Central Committee and the CPC Central Committee's proposal on the Seventh 5-Year Plan apply Marxist theory to analyzing the reality of our country's economic system and economic construction and thus formulate the various policies and measures on the reform. If we lack knowledge or understanding regarding Marxist theory, it will not be easy for us to understand and implement the decision and the proposal. In order to ensure that the reform is smoothly carried out in a planned and systematic manner, we are urgently required to intensify our study of Marxist theory.

Furthermore, from the point of view of our socialist construction as a whole, we are required even more to heighten the systematicness in our various kinds of work. The party's key task during the new period is to carry out the construction to modernize our economy and to develop our productive forces. In coordination with this task and in order to serve the realization of this key task, we should at the same time carry out construction of our socialist spiritual civilization and socialist democracy. Therefore, in doing all our work, we should take into consideration the relations and coordination between the three aspects of construction, centered on the key task of economic construction. Studying and mastering basic Marxist theory can help us do this better. Take the relation between material and spiritual civilizations for example. While carrying out the construction of our material civilization, our party has also put forth the task of intensifying the construction of our socialist spiritual civilization. There are not only profound theoretical grounds for this, but also theoretical creation in doing so. If we cannot understand this in an all-round manner from the plane of Marxist theory, it will be very difficult for us to heighten the systematicness in our work. If our propaganda, cultural, political, and ideological work fails to be closely centered around the key tasks of modernization and economic structural reform, we will not be able to do the work well, nor will we be able to satisfactorily promote our entire construction cause. Similarly, when we are making efforts to carry out the construction of our material civilization, neglecting the construction of our spiritual civilization will also produce serious consequences.

Of course, heightening systematicness is regarded as a basic principle and method and should not be understood mechanically. The development of things is always complicated and uneven. Often, we have to make a breakthrough first in a specific link. Therefore, the method of grasping the principal contradiction and the key link, in order to take along the entire situation, is not in conflict with the requirement of systematicness. On the contrary, it is a necessary condition for satisfying this requirement.

III. On Improving Our Foresight in Work

In doing any work, we hope that we will be able to achieve the expected results and often suffer from our lack of foresight, which makes us feel unsure about the results of some of our measures. There are many factors that affect our efforts to improve our foresight in our work, including the level of people's knowledge, people's practical experience, their degree of understanding of the situation, and their Marxist theoretical level, the last being the key one among all these factors. For basic Marxist theory is a scientific method for correctly disclosing the laws governing things and developmental trends. It can enable us to observe problems dialectically in an all-round manner, to see things at the initial stage, to see through complicated phenomena and grasp the essence concerning the development of things, and thus to judge the future development of things.

A review of the history of the Chinese revolution reveals that our party, Comrade Mao Zedong in particular, had amazing foresight amid the stormy and drastic changing events. All the various kinds of scientific foresight, such as the forecasting of the development of the situation in China after the failure of the great revolution, the analysis of the process of protracted war during the war of resistance against Japan, and the calculations concerning the victory of the Chinese revolution during the war of liberation, were the result of applying and developing Marxist theory in studying and solving the practical problems in the Chinese revolution. This shows the tremendous role and power of Marxist theory. Now, under the new historical conditions, we are faced with even more magnificent and arduous tasks and another widespread and deep revolutionary reform. In every step of the reform, ranging from the general plans to concrete arrangements, we are required to have as accurate foresight as possible concerning the progress and results of development, the scale and pace of construction, and the steps and measures of the reform. All these are things that our predecessors never attempted. This is a contradiction. In order to solve this contradiction, it is necessary to intensify our study of professional knowledge, to make efforts to understand the experience and lessons gained by foreign countries (including both socialist and capitalist countries), to make conscientious investigation and study, to carry out actual experiments, and so on. However, the guidance of Marxism is indispensable in all these efforts. Viewed as a whole, the theories and policies that the CPC Central Committee has put forth on the construction of socialism with Chinese characteristics and the fighting goal of modernization, and the program of economic structural reform that it has formulated, have displayed its scientific Marxist foresight. However, concerning the concrete methods and steps of the construction and reform, as there has to be a process of exploration and experiment, we should look around after taking a step forward. But looking around after taking a step forward does not mean that foresight is not necessary. In deciding each aspect of our work and each step or measure, we are still required to have as good foresight as possible.

But it is not easy to make this kind of foresight very accurate; therefore, it is necessary to promptly correct these aspects of work and steps and measures in the light of the development of the actual situation and the experience and lessons that we have gained in our practice. Therefore, while we are making progress in the manner of looking around after taking a step forward and while carrying out exploration and experiments, it is even more necessary to study hard Marxist theory.

As science develops, we are not provided with many more means and methods of forecasting than before, including the advanced technologies of statistics, calculation, and simulation, and many theories and methods that we have introduced from abroad and to which we can refer. This has improved our capability in accurately understanding the situation and reasoning about the development of things. Undoubtedly, we should study hard these technologies, theories, and methods. But all these cannot replace Marxist theory. On the contrary, only under the guidance of basic Marxist theory can we correctly apply these practical means and methods of forecasting to improve the foresight in our work. In particular, in regard to the entire process of our social activities and the major issues in our economic, political, social, and cultural spheres, without the guidance of basic Marxist theory it is impossible for us to make correct judgments. In order to improve the foresight in our work, we should combine our efforts to study and become familiar with Marxist theory with mastering these concrete methods of forecasting, and should not set them against each other.

IV. On Improving Creativeness in Our Work

The role of Marxist theory, in the final analysis, lies in guiding us in reforming all the existing things that are irrational and not suited to the development of our productive forces and people's demands and in creating a new world and life. An important characteristic of Marxism that distinguishes it from other old theories is that Marxism is practical, critical and creative. When Marx began to establish his new world outlook system, he declared: "Philosophers merely adopt different methods to explain the world, but the problem is to transform the world." ("Selected Works of Marx and Engels," Vol 1, p 19) Marxist theory itself has the spirit of continuous creation and is incompatible with the various ideas and habits that follow the beaten path, stick to conventions, and fear reform. Just as Comrade Mao Zedong pointed out: "Marxism-Leninism has in no way exhausted truth but ceaselessly opens up roads to the knowledge of truth in the course of practice." ("Selected Works of Mao Zedong," Vol 1, p 272) A review of the history and reality of modern China will enable us to see that it was precisely the great creative impact yielded by integrating Marxist theory with the practice in China that opened up the way for China's new democratic revolution and enabled us to establish a new China; that enabled us to achieve the great victory in our socialist transformation and construction after the founding of the PRC; and that has enabled us to create a new situation of socialist modernization under the new historical conditions since the 3d Plenary Session of the 11th CPC Central Committee. We can say that none of the new great and profound creative achievements has not been the outcome of the guidance of Marxist theory. In order to carry out reform in various sectors and vigorously develop the productive forces of our society today, it is even more necessary for us to apply Marxist theory to improving the creativeness in our work and to continuing to blaze new trails.

We should not confuse Marxist theory with certain dogmatist and outdated ideas in our study, research, and propaganda. Because of many years of "leftist" mistakes and the practice of closing our country to international intercourse, we have failed to very satisfactorily carry out research into the various new developments at home and abroad. In people's understanding of Marxism, there are still quite a lot of outdated dogmatist ideas that are not suited to our times and tasks. The long-standing old economic system that fettered the development of our productive forces has correspondingly given rise to many fixed concepts that fetter people's minds. All these are unsuited to the creative undertakings of our modernization and reform. Therefore, as our construction and reform develop, analyzing, criticizing, and overcoming these old ideas and concepts continues to be an arduous long-term task. However, all outdated dogmatist ideas and thoughts run first of all against Marxism and can by no means be confused with Marxist theory. Therefore, only by conscientiously studying basic Marxist theory and applying its basic principles and methods in carrying out analysis can we distinguish between the theses, thoughts, and views which are correct and which should be adhered to, developed, and continued and those which are dogmatist, which run against Marxism, and which are divorced from reality. Only by so doing can we overcome the latter theses, thoughts, and views.

Even less should we set the study of Marxist theory against creativeness in our work. In our work, it is necessary to have creativeness, to bravely practice blazing new trails, to study all the useful new foreign thoughts and things, and so on. However, only the practice of blazing new trails that is carried out under the guidance of basic Marxist theory in the manner of integrating Marxism with the practice in China and through carrying out careful research and following the objective laws governing things can be genuine scientific practice of blazing new trails. If we do not master basic Marxist theory, if we fail to have a scientific attitude of seeking truth from facts or the scientific dialectical materialist methods, if we overlook the basic Marxist principles that disclose the fundamental laws governing the development of the history of society, and if we blindly copy or invent new ways at will, it will be impossible for us to really blaze new trails. If we do that, we will perhaps wind up restoring old things rather than blazing new trails. Have not some people regarded "briefcase companies" that sell and buy short and the capitalist decadent practice of giving gifts of cash as new things and new practices in their administration and management? In fact, such incidents are also common in the spheres of our ideology, theory, and concepts. This shows that we must conscientiously study and become familiar with Marxist theory. Only this can help us become clear about what is the genuine practice of blazing new trails and thus improve the creativeness in our work.

To sum up, studying Marxism in order to improve the sense of principle, systematicness, foresight, and creativeness in our work is mainly aimed at solving the following two closely related problems. The first is to improve our work and leadership methods and heighten our ideological and political level and the level of our understanding of policies in our work; and the second is to adhere to the correct orientation in our thought and work. All our work is aimed at building socialism with Chinese characteristics and attaining our final goal of realizing communism in the future. Only Marxist theory can ensure that we adhere to the orientation of socialism today and will realize communism in the future. Therefore, when Comrade Deng Xiaoping stressed the importance of studying Marxist theory, he not only pointed out its significance in solving current basic problems in various fields, but also pointed out that only by so doing could we prevent some comrades from going astray in the increasingly complicated struggle.

Improving our sense of principle, systematicness, foresight, and creativeness in work through studying Marxism actually means that we are required to apply Marxism to serving the socialist modernization of our country. It also means that we should "shoot the arrow at the target" and combine theory with practice. First, we should study theory and, particularly in the light of our actual needs, we should study the relevant works of Marx, Lenin, and Comrade Mao Zedong and the important documents of the 3d Plenary Session of the 11th CPC Central Committee. We should be familiar with the basic principles of Marxism and the new theoretical development of our party. Without this, what are we to combine with our practice? When Comrade Deng Xiaoping talked about substituting new cadres for elderly ones, he put forth the task of studying Marxism as a new requirement. This was precisely aimed at solving the problem that our cadres, particularly our new cadres, are not familiar with the basic principles of Marxism. Several years ago, he said: "Some people who make comments often see the phenomena only, because they have no basic knowledge of theory or basic experience in practice." ("Selected Works of Deng Xiaoping," p 337) Therefore, he put forward the view that we had to study theory and philosophy and read books conscientiously. This task seems to have become more important today. Our theory should be geared to and combined with reality. We should not mechanically memorize some words and phrases of Marxism, but should regard Marxist theory as a weapon, regard studying and solving the practical problems in our socialist modernization as the core, and link our reading and study with our research work and theoretical discussion. Therefore, we should put an end to the dogmatist and formalistic method of study that is still adopted in some localities. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has achieved quite a lot of theoretical creation and development in applying the basic principles of Marxism, summing up our historical experiences, and solving the practical problems in our socialist construction. Not only do we regard these achievements as important contents of our theoretical study, but we should also learn from them how to combine theory with practice.

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JUSTICE IS BOUND TO OVERWHELM EVIL

Beijing RED FLAG in Chinese No 4, 16 Feb 86 p 47

[Article by Hou Gu [0186 0942]]

[Text] Among people 30 to 40 years old today, many are likely not to know that when the PRC was first established, certain people doubted our party's ability to sweep away the dregs of the old society. Contrary to these people's estimation, our country, over a short period, was able to completely eradicate this kind of social plague, and, for the sake of the nation and the people, the CPC demonstrated great wisdom and courage, winning people's admiration and respect. The story is a simple one. The dregs of the old society was comprised of rotten influences, supported by a very small handful of diehard elements. The Communist Party righteously represents society, having the backing of millions of people. Once we have made a decision, the people's forces will congregate under the party's banner. Justice is bound to overwhelm evil. No problem is too difficult to solve. Many subsequent events have repeatedly attested to this point.

In recent years, the party's work style and social atmosphere have turned for the better, but not so ideally well. This is principally because many of our regions, departments, and units have not earnestly devoted great efforts to grasping problems in a down-to-earth manner. Moreover, as a result of the play of other subjective factors, certain people have treated party discipline and state laws as trifles, and crimes have been committed simultaneously with the reform. As soon as certain problems were solved, new ones would arise. As time went on, certain comrades considered the problems of the party's work style and social atmosphere as "great old difficulties." Touching on them, they would shake their heads and sigh, more or less helplessly.

If we do not merely look at the phenomena but look at the facts, it should be said that the current improper wind, the illegal and undisciplinary acts, serious economic crimes, and all other crimes are evil and rotten things and if we only command our righteous forces to attack them, striking hard and demolishing all the rubbish, it would not be so difficult after all. Let us look: In autumn 1983 we began to concentrate our forces to deal with serious criminal activities and the thieves, robbers, and criminal elements who had run amok for a time very soon took cover, while many criminals were caught in the legal network and duly punished. Not so long ago, the Beijing railway station was plagued by the nefarious activities of ticket scalpers. Passengers were afraid of going to the station to buy tickets. But we acted in a truly earnest manner and in a few days' time the situation changed radically. The feat was greatly acclaimed by the incoming and outgoing passengers. They all agreed that now the railway station was truly like a railway station under a socialist regime. Since the evil-making and lawbreaking culprits were the same people and the tactics used were the same kind of tactics, why was it that they had not been successfully dealt with formerly? The problem was that the spiritual stature and the state of the combined strength differed on the two occasions. Given the state of facing lawbreaking but not seeing it, or merely uttering vain cries without moving the hands at all, or failing to make any sound or gesture at all, it would not be possible to deal with even a few flies, not to speak of handling gansters addicted to crimes and to wanton lawbreaking.

We have talked much about our superiorities one after another and all of them sounded rather rational. But we seemed not to have talked enough about the fundamental superiority of the socialist system. This is that since this system represents social righteousness and progress and has the backing of the great majority of the populace, it truly wields invincible strength. Is it not true that in the four basic principles there is clearly one called people's democratic dictatorship?

Is not the solution of the serious problem of the violation of laws and discipline precisely one of the irrefutable functions of people's democratic dictatorship? The extreme discontent with the improper wind of the workers, peasants, the intelligentsia, and other citizens of society and their deep hatred of economic crimes and other criminal deeds are precisely wherein lies the enormous strength of the socialist country under our people's democratic dictatorship. Our leadership organs at various levels and leadership cadres need only act in an exemplary manner, earnestly listen to the cries of the populace, and fully display the role of the people's democratic dictatorship and all evil things will be eradicated.

Since the 12th CPC National Congress prescribed the task of seeking the basic improvement of the party style and social atmosphere, 3 full years have passed. At present, the party Central Committee has firmly resolved to put the party style in the right shape and has adopted correct guidelines and made the necessary arrangements. This has greatly stimulated the spirit of the whole party and the whole country. Comrades doing leadership work must review their deeds of the recent years and ask themselves: Have we gone to the front to fight? How many battles have we fought? Did we win or lose? If they can sum up the experiences and lessons from the review, truly respond to the party Central Committee's call, and resolutely, and in a sustained manner, grasp the work to the end, then definitely there will be great hope for the party style and social atmosphere to make a turn for the better.

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THE FASCINATION OF AN IRON-WILLED MARSHAL--ON READING 'THE HEAVIER THE FROST, THE DEEPER THE HUE'

Beijing RED FLAG in Chinese No 4, 16 Feb 86 p 48

[Article by Fan Yongge [5400 0737 2047]; "The Heavier the Frost, the Deeper the Hue" was carried in KUNLUN Issues Nos 2-6, 1985]

[Text] There are a huge number of different magazines and they contain an even greater number of works, but works which truly "guide one to a higher road" and which after reading one feels greatly inspired and attains a higher realm, are rarely encountered. The work "The Heavier the Front, the Deeper the Hue," a piece of biographical literature written by Tie Zhu Wei [6993 4554 0251] as part of a serial "Chen Yi During the 'Cultural Revolution,'" can truly be called such a work.

In various senses, the launching of the "Cultural Revolution" was just like, in Greek mythology, the opening of Pandora's box, which contained all the calamities of man. In those days of wildness and rampaging when the vast majority of the Chinese people, including many veteran revolutionaries, could not control their own fates, Chen Yi, who was still under the "Proletarian Command" after the 11th Plenary Session of the 8th CPC Central Committee, was to later say this about his situation: "They only wanted me, Chen Yi, to keep silent, and the staying at Zhongnanhai would not be a problem." However, how could "keeping silent" as a price for staying at Zhongnanhai have been the choice of this "commander who hated evil and was swift in rebuking it?" (Footnote) ("Words From Comrade Zhao Pochu's [6392 2613 0443] Mourning Poem for Chen Yi") "On the question of whether to talk or not to talk, I finally decided to talk!" The work grasps this great decision taken by Chen Yi in his later years and develops the image of a proletarian revolutionary who stands immovable in the current, and thereby causes people to appreciate the special bearing of this iron-willed marshal. When, at a Political Bureau meeting, the followers of Kang Sheng and Jiang Qing attacked Comrade Liu Shaoqi, Chen Yi angrily struck the table and rose to his feet. He gave a face-to-face warning to the "little general" who had been called by Chairman Mao, and indignantly attacked the "rebel faction" for their deceitful flattery of him. Even in the so-called "causing a stir at Huairen Tang" he yelled at Tan Zhenlin who was angrily leaving: "Do not go, we will struggle inside!..."

Liebknecht in talking about Marx said: "He is a thoroughly honest man. He worships nothing apart from truth." Lafargue used two lines from Shakespeare's "Hamlet" to describe Marx: "He is an imposing man, all in all, and I have never met another man like him." Marx' fascination lay in his not fearing losing everything he owned, in his revolutionary principles and the firmness of a true communist. The fascination of Chen Yi, the iron-willed marshal written about in "The Heavier the Frost, the Deeper the Hue," lies also in this.

Perhaps we only need to look at Chen Yi's special love for the red leaves of the western hills to understand how he was able, in the "period of the heaviest frosts" of the revolution to make his final and his most difficult decision. As the autumn wind blew, one by one the yellow leaves smitten by frost suddenly fell from the branches and fluttered down. At this time, when all the leaves were falling, only the maple leaves and the smoke tree leaves used all of their final strength to radiate a fiery red, dressing up autumn and causing onlookers to marvel. This is the reason why throughout history people have admired the red leaves "stopping their carts to enjoy the maple trees' evening" and saying that "the maple leaves excel even peach blossoms." After suffering abuse from Lin Biao and Jiang Qing, Chen Yi came to the western hills and, together with several veteran commanders, enjoyed the red leaves and used the red leaves to speak of Communist Party members' feelings and values: "Even if you threw away the light-reds and the grey-reds, I would not take them." Only in the "frostness periods" do they display their existence. When the heavy frosts come, they hum and ha and look this way and that. "I will have nothing to do with such Communist Party members!" This Communist Party member's sense of value held by Old Commander Chen is not only something for yesterday, but something for today and for tomorrow.

Thus on reading "The Heavier the Frost, the Deeper the Hue" not only do we review the nightmares: How Chen Yi participated in the 9th party congress as a representative of the "right," how he was sent down to the Nankou Vehicle Factory; how he was "evacuated" to Handan, thus missing an opportunity to get medical treatment, which resulted in his untimely death; and not only do we get an understanding of the negation of the "Cultural Revolution" from another angle; but because the work is written from the perspective of Chen Yi's noble self-decision and it concerns the fine style of a true communist, it provides a fresh gauge for all those Communist Party members who have lost their Communist Party values to a greater or lesser degree.

Tolstoy, in talking about historical biographies, said: Every historical fact must be explained in human terms, it must be an historical description which avoids the beaten path. "The Heavier the Frost, the Deeper the Hue" uses feelings to weave historical material about the activities of political figures together and strives to find passion in history, to find poetry in history. Whether it is Premier Zhou angrily warning the rebel clique: "Whoever wants to block Comrade Chen Yi's car on the road...let them do so over my body!"; whether it is Marshal Liu using his hands as his eyes, stroking Chen Yi's corpse as his old wartime friends sent him off; or whether it is Chairman Mao fumbling to put a pair of socks on his dropsy-affected feet and calling:

"Get a car. I want to go to Comrade Chen Yi's memorial meeting!"--all of these are very emotional descriptions and on reading them the readers' eyes are blurred by tears.

Several years ago, Comrade Shi Yan [4258 6056], the person in charge of the creative group for the "Biography of Chen Yi," said to the writer that because our nation's older generation of revolutionaries and military people have all sorts of outstanding merits and all types of styles, the breakthrough in Chinese military literature could begin with "Literature of Generals and Leaders." This was a very accurate prediction. The writers of "The Heavier the Frost, the Deeper the Hue," its sister work "The Marshal Diplomat," and other such works are successively providing their responses. The publication of these works will not only bring even greater glory to the splendid achievements of the older generation of revolutionaries, but will also add new color to socialist literary art.

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HOLD ALOFT THE BANNER OF IDEALS--ON READING 'ESSAYS ON CONFIDENCE'

Beijing RED FLAG in Chinese No 4, 16 Feb 86 inside back cover

[Book review by Yun Shan [0061 1472]]

[Text] "Essays on Confidence" is a collection of essays containing both random thoughts on life and random words on thought. It contains 191 selected pieces which have appeared in the RENMIN RIBAO supplement since 1980. They were written by old, middle-aged, and young people and they concern centering around and strengthening communist convictions, firmly supporting the four basic principles, eliminating theories of "uncertainty" and theories of "doubt," developing the communist style, establishing socialist spiritual civilization with communist ideology as its core, correcting party work style and so on. These short essays touch on every aspect of life, directly relate to life, praise justice, point out the problems of the times, stress holding one's head high, have a strong sense of the times, and speak of what the people love and what they hate. The different essays proceed from different experiences and different angles. Some go the long way around to get at something close and overflow with comments. Some are satirical in their praise, while others are very clear in what they are advocating and what they are criticizing. Some are very concise, and precisely express the author's views. These works basically fuse ideology, knowledge and interest, and are very readable.

Although "Essays on Confidence" is divided into several parts, the spirit running through the book is ideals and the criteria for behavior which conforms with ideals. Ideals are the objective of struggle. They are a strength and an important part of life. The success or failure of ideals is the key to success or failure of the cause. This is the gist of the essays.

"Essays on Confidence" begins with "The Banner Cannot Be Furled" which explains, from both the angle of ideals and from the angle of practice, the importance of holding high the banner of communist ideals.

Only if the banner of communist ideals is held high will we be able to have firm trust, will we be able to master our own fate, and be able to obtain the best end results. "Essays" includes many examples of things which bring both happiness and sadness. Lain Fu, who returned to the mainland from Taiwan, as a communist fighter on the political front, as a doctor on the academic front, and as a strongman on the physical level, underwent, for over 30 years, great tribulations and was subject to great humiliation. However, his ideals did not change and he became a communist fighter worthy of the name. The talented and splendid Communist Party members An Ke and Yang Wei, in the interests of the people, struggled against evildoers, acted selflessly, and became fighters who put their ideals into action.

Only by holding high the banner of communist ideals can one keep the overall situation in mind, be able to see farther and wider, be able to take on the present and inspire the future and keep the revolutionary cause eternally young. "Essays on Confidence" includes examples from Comrades Liu Lanbo and Yang Zhilin. Although they are aged and very sick, they have adhered to their principles and they have no misgivings. They have made great efforts in selecting and training young cadres. Comrade Yang Zhilin's words, "We are old, but we cannot let the revolutionary cause grow old too. If the revolutionary cause is to remain ever young, then we must allow young comrades to take on leadership work," are eminently sensible and very touching.

Only by lifting high the banner of communist ideals can we train skilled and knowledgeable people so that they are not seduced by material things or aroused by money, but contribute their skills and knowledge to the motherland. In "Essays" is described how after Wei Yu had obtained his electronics doctorate and the Bo-xie-er [3134 2957 1422] prize in the FRG and how after He Baoguang made an important breakthrough in researching a Type-B hepatitis vaccine in the United States, both refused foreign offers of money and positions and determined to return to China to contribute their knowledge and abilities to the four modernizations. Also, Wang Shurong gave up the opportunity for a doctorate so that he could study what China urgently needed and contribute quickly after he returned home. In respect of these people's spirit of patriotism, love of the cause, not wishing to become slaves of money, and wanting to become masters of life, "Essays" praises them with great feeling.

Only if revolutionaries hold high the banner of ideals can the recognition of ideals be changed into the real strength of ideals, and can the vitality of the revolution be preserved. Having no ideals is the same as not having a soul, which means that if the qualities which revolutionaries should have are missing, there will be no way by which to pass tests and the direction forward will be obscured. "Essays" makes a sad and angry dissection of those who believe communism "cannot be eaten and cannot be worn, so why should we treat it seriously," and those who say "communist philosophy is a philosophy of the future, the struggle for communism is like a distant song." These people are quick to furl their banner of ideals and can change from faith in Marxist philosophy to faith in the decadent philosophy of "man dies for money, birds die for food"; from adding bricks and tiles to the communist building to "removing bricks and tiles"; from the former ways of bringing happiness to others to "making great efforts to become an official, so that one has food to eat and clothes to wear"; and from "being ashamed at doing things for oneself" to becoming greedy and depraved.

In brief, "Essays on Confidence" is a book which publicizes the banner of communist ideals, increases knowledge, widens one's views, promotes goodness, speaks against evil and teaches people to struggle upward. The meaning of "confidence" in the title probably lies in that this book wakes up those who are "confused" and brings "confidence" to those liable to be "confused." From both the positive and negative sides, it tells us that as long as we hold high the banner of ideals, we will be able to achieve clear heads, be open and above-board, selfless, and will be able to adhere to our sworn course, and in this way progress toward the lofty goal of communism.

This book is published by Zhongguo Duiwai Fanyi Chuban Gongsi.

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UPHOLD THE SOLEMNITY OF THE LAW

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 2

["Forum"]

[Text] A question that calls for an earnest solution in current legal system work is to resolutely uphold the solemnity of the law; truly succeed in obeying the law, prosecuting violators, and strictly enforcing the law; and make full use of the weapon of the law to crack down on criminals engaged in serious economic and other crimes.

It is a fundamental task of our country to strengthen the building of socialist democracy and the legal system. We have achieved remarkable successes in this field over the years. Although we have enacted the Constitution and a number of important laws, the laws are not yet perfect. Therefore, it is necessary to draft some essential laws, and particularly to strengthen and perfect economic legislation, so as to ensure the normal progress of economic activities. Meanwhile, it is also necessary to uphold the solemnity of the law. In strengthening the building of the legal system, it is necessary to pay attention to legislation and ensure that there are laws to obey, and to pay attention to enforcing the law and ensuring that the law is obeyed. When a law has been enacted, it must be resolutely put into effect and strictly enforced. Its role should also be brought into full play. An important reason for the failure to crack down effectively on criminal activities some time ago, especially on speculation and swindling, smuggling and peddling contraband, engaging in bribery and corruption, and peddling and showing pornographic videotapes, was not that there was no law to follow, but that the existing laws were not strictly followed and enforced. Lenin said: "If the law is not scrupulously applied, it may become a mere game and lead to results quite contrary to those intended." ("Collected Works of Lenin," Vol 30, p 173) If the existing laws are not followed and enforced, how can we talk about the authority and sanctity of the law?

The key to upholding the solemnity of the law lies in leading organs and cadres setting an example in abiding by the Constitution and laws and supporting the political and legal departments in independently carrying out their work. When handling major and important cases and cracking down on serious economic crimes, certain political and legal cadres feel that these cases are difficult to deal with and judge. They are difficult because

REALIZATION OF LOFTY IDEALS SHOULD BE COMBINED WITH SATISFACTORY PERFORMANCE OF ONE'S OWN WORK--IN COMMEMORATION OF THE '8 MARCH' INTERNATIONAL WORKING WOMEN'S DAY

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 3-7

[Article by Hao Jianxiu [6787 1696 4423], member of the Secretariat of the CPC Central Committee; capitalized passages published in boldface]

[Text] Lofty ideals are the enchanting goals of our striving, as well as the will of society and aspirations. It is very significant to talk about lofty ideals on the occasion of the "8 March International Working Women's Day" of the first year of the Seventh 5-Year Plan.

I

For thousands of years, working people have always sought an ideal society, longing to live in a world without oppression and exploitation, a world with equality for all people. Tao Yuanming of the Jin Dynasty enthusiastically described in his essay "Peach Blossom Stream," a beautiful world in which everyone participated in labor and everyone enjoyed life. He expressed his longing for a Chinese arcadia in which there was no exploitation, cheating, lying, and oppression. "Flowers in a Mirror," a novel of the Qing Dynasty, also described a state consisting of gentlemen, in which there was a high moral standard, equality for all people, and fair trade. However, such an ideal paradise was an impossibility in a feudal society. Nonetheless, mankind has never stopped seeking, and has conducted many experiments, including the peasant uprisings in Chinese history, in which the slogan "equality in social status and wealth" was proposed. But it was not until the 19th century when the doctrine of scientific socialism came into being that the loftiest ideal of mankind--communism--emerged.

Communism is such a social system. No exploitation and classes exist, productive forces are highly developed, goods and materials are abundant, and the people's consciousness is greatly elevated. Its basic principle is "from each according to his ability, to each according to his needs."

The communist movement is to go through a very long historical process. As for China, our predecessors spent decades carrying out continuous struggles. They succeeded in overthrowing the oppression of the three heavy mountains--imperialism, feudalism, and bureaucrat-capitalism. They founded new China, basically completed the socialist transformation of the private ownership of production means, and eventually eliminated exploitation. It was not easy for our socialist system of today to emerge.

To persevere in the belief of communism, numerous communists, including many heroines, have realized their pledges with practical deeds, even with their blood and lives, not hesitating to devote their all to realize communism. During the period of the new democratic revolution, we had such heroines as Xiang Jingyu, Zhao Yiman, and Liu Hulan. Some were thrown into prison and sacrificed their lives heroically in order to spread Marxism. Some fought on the battlefield and sacrificed their lives in the smoke of gunfire and the rain of bullets. Still others confronted the knives and guns of the enemy, devoting their lives to the motherland with righteousness in their hearts. In the course of socialist revolution and socialist transformation, millions upon millions of women have strived heroically in all fields. They have likewise created magnificent heroic feats. Everywhere, we have women playing exemplary roles with their actions, contributing their share to building the paean of communism in the spirit of serving the people heart and soul, with their work in agricultural and industrial production, at various cultural, educational, medical and public health, and scientific research undertakings, defending our national security, uniting our friends at home and abroad, and struggling against internal and external enemies. Comrades Xiang Xiuli, Zhao Chune, and Sa Benmou are typical examples.

Numerous heroines, models, and advanced women have set up glorious examples for their contemporaries and successors. Their heroic feats and exemplary actions have shown that women are not inferior to men, that they too can accomplish earthshaking feats. At the same time, their feats have shown that only when one has established the magnificent ideals of communism will it be possible for one to have a clear goal of struggle and direction. Only then can one exert efforts and reach a pure and brilliant mental state and acquire a noble moral sentiment. Only when one has a firm revolutionary faith in communism will it be possible for one to maintain a vigorous revolutionary will and utter devotion, and to resolutely strive for the emancipation of mankind all one's life.

II

The practice of building socialist material and spiritual civilizations is an integral part of the cause of communism. Therefore, in dealing with lofty ideals at present, it is necessary to closely link the magnificent aim of communism with a satisfactory work performance. If we depart from the magnificent aim of communism, we are likely to stray away from the correct direction in our work; but talking about the magnificent aim without a satisfactory work performance is sheer lip service.

Since the 3d Plenary Session of the 11th CPC Central Committee, many noticeable changes have taken place in China. Reforms have touched all aspects of society. They have provided better prospects and more favorable conditions, as well as opened up more opportunities for women to persevere in lofty ideals. It is precisely the clear need for economic structural reform in both the urban and rural areas and the four modernizations which has mobilized thousands upon thousands of women to plunge themselves into reinvigorating China and to join the ranks of those becoming rich through hard work. A work force of 150 million women in China's rural areas is presently working in all fields. They account for half of the total rural work force. The number of female workers and staff in urban organs, enterprises, and institutions is more than 42 million, accounting for 36.5 percent of the total number of workers and staff. In 1984, more than 2.39 million women were working in the natural sciences, engineering, and technology, accounting for 32.1 percent of the total number of scientists, engineers, and technicians. It is unprecedented in China's history for so many women to participate in social labor. This is a good development in the course of our reform.

Women have made their share of contributions to reform. However, the reforms have also tempered women. Women support the party's leadership, support all party principles and policies, and are all in favor of the urban and rural structural reform of our economy. They show concern for socialist modernization and China's prosperity. They hope for social stability and a change for the better in social atmosphere and party style, for good results in the construction of spiritual civilization, and for a healthy growth of the next generation. Given the competition in the fields of science and technology, plus differences in knowledge, they understand "survival of the fittest" and the need to work hard in their studies of culture, technology, and management. They are conscientiously improving their capabilities in order to meet the needs of the times, while showing concern for others and helping them to make progress. The overwhelming majority of women have adhered to the four cardinal principles and cherished the state, the collective, and labor. They are capable of handling well the relationship between the state, the collective, and the individual. They do not forget the state, the collective, and others when they become better off. They are disgusted by the unhealthy tendencies in society and have continuously strengthened the concept of morality and the legal system, and they distinquish between right and wrong. Changes in our social productive forces have brought about changes in our economic and social life. There have been changes in women's ideology and concepts, especially among young women. Their vision has expanded and they have begun to consider the whole country and the whole world instead of their own families and native localities. They now have a desire to do something great. They have found their own values. The idea of "starting to work at daybreak, calling it a day at sunset," which has passed from generation to generation, is being replaced by the new concept of time and effect, and of value. The traditional concept of a small-scale peasant economy characteristic of self-sufficiency and being satisfied with things as they stand is being gradually changed into a concept of commodity economy and socialized modern agriculture. They have changed the old concept of attaching importance to manual labor only, now emphasizing the use of one's mind. Improvements in material life have promoted women's pursuit of a rich and healthy spiritual life. In short, women have come to understand through their personal interests the benefits derived from reforms: Their participation in labor has expanded, the living standards of their families have been upgraded, and the welfare of women and children has improved. At the same time, the reforms have greatly increased women's enthusiasm for their work and study, bringing about many pleasing changes in their spiritual outlook.

A large number of advanced women with lofty ideals, morals, culture, and discipline have emerged in the construction of the two socialist civilizations. They stand among the people with brand-new images of contemporary women. Take for example the "8 March" first aid team in Laoshan. These women soldiers have given up their families to deal with the enemy on battlefields filled with blood and fire. They are in no way inferior to the other sex. Textile workers are another example. They have ignored the cotton dust in the workshop, the deafening roar of looms, and the exhaustion of walking hundreds of miles along the lanes between looms every shift. In this respect, they are stronger than the other sex. The many women in the service trades have worked hard in a down-to-earth manner, and made valuable contributions to the people with their noble characteristics and style. Advanced women working diligently and arduously in the fields of culture, science, and technology, such as Wei Yu [7279 6877], Xiu Ruijuan [0208 3843 1227], and Hu Daofen [5170 6670 5358], have accomplished things in scientific research which have won the acknowledgement and praise of people at home and abroad.

In short, the advanced women of today have been able to score such brilliant accomplishments because they have the objective environment brought about by reform. "It is like a vast sea in which fish can swim freely, or the high sky where birds fly without restriction." This is all the more so the case since they have correctly handled relations between lofty ideals and reality, between ordinary work and the great aim of enjoying creative activities and life, and between giving and receiving. They are outstanding people who closely link magnificent ideals with extraordinary work performance.

III

If women are to shoulder the heavy responsibilities of reform and the four modernizations, they must overcome greater difficulties and hindrances than men.

On the one hand, the remnants of male chauvinism in society discriminate against women in school enrollment, employment, work, and obtaining an education. In some places, women are still looked down upon when acquiring CPC or CYL leadership. At the same time, women's low social status and their being injured and insulted for several thousand years in feudal society, and the obstinate ideological remnants of feudalism have resulted in women having lower cultural standards, narrow-mindedness, and an absence of great ideals. To solve such problems, it is necessary to overcome the remnants of outmoded ideas in our society.

"Women are half the sky." This saying implies not only quantity, but, more important, that women are an indispensable force in the course of realizing the magnificent ideals of mankind. Accomplishments in all fields of socialist construction are inseparable from the wisdom and labor of women. Our world today is one in which science and technology are especially developing rapidly, and intelligence will play a greater and greater role in production. In this sense, women, who are physically not so strong as the other sex but not inferior to them in intelligence, will play a far more important role. Anyone who fails to see this and continues to hold on to the old concept of male chauvinism will be committing a mistake of a historical nature.

At the same time, further changes in the status of women depend not just on the attention of the whole society and the forces of all relevant departments, but on the striving of women themselves. Women in the 1980's should resolutely get rid of their sense of inferiority, firmly establish a spirit of "self-esteem, self-respect, self-dignity, and self-improvement," be bold at taking up the responsibilities of society and the state, and work hard to improve their own qualities and mental attitude, in order to seek their thorough emancipation. Qiu Jin, the outstanding woman fighter during the period of democratic revolution, wrote the following: "Do not say that women will never be heroic; I, for one, will nightly exercise with my double-edged sword." I like her heroic aspirations, her unwillingness to be made slight of, and her devotion to the country. We women are not born weak. In the new historic period of reforms in particular, there is no reason for women to worry about having no opportunity to show their abilities! The question is whether we have closely linked our great ideals with our work performance, whether we have the steadfastness to continuously improve ourselves. In answering the question "what can a woman do," Comrade Cai Chang said: "If you are bent on becoming a working woman, you will find you can do almost any kind of job; but if you do not want to work, you'll find you can do nothing in the end." Madame Curie, the physicist who was twice awarded the Nobel Prize, said: "We should have faith and self-confidence, in particular! We must believe that our talents are to be used to accomplish something; no matter how great the price, that something must be achieved." What a great enlightenment are such words!

Let us take a look at Chinese sportswomen competing heroically in international contests. Our national women's volleyball team, women's badminton team, women's table tennis team, and women's baseball team, the latter winning second prize the first time it took part in a world contest, have enabled China's national flag to fly high abroad. Their brilliant accomplishments, which dumbfounded the world, have proved that Chinese women are not inferior to women of any other nation. Looking at the heroic feats in the history of the Chinese nation, at the world history of sports, and at the accomplishments by numerous women with aspirations in the four modernizations, why should we feel inferior?

IV

"Self-esteem, self-respect, self-dignity, and self-improvement" are enabling women to educate themselves in terms of lofty ideas, morals, culture, and discipline. They link these to the characteristics of women. To achieve "self-esteem, self-respect, self-dignity, and self-improvement," women should continuously improve their own qualities, including their political, ideological, cultural, and professional qualities. Living in these times of reform, they should have the brains for reform, a spirit of blazing new trails, and a drive to do practical work. On the eve of the "8 March" International Working Women's Day, I should like to make a few proposals which should encourage each of us in our endeavors:

1. HAVE A CORRECT UNDERSTANDING OF THE SITUATION AND SUPPORT REFORMS WITH PRACTICAL ACTIONS. In recent years, China has conducted many important reforms. In 1985 in particular, a bigger stride in reforms was made than expected, as well as better results. The requirement of being sure to win the first battle was fulfilled, and this laid a foundation for future reforms. The Central Committee has decided that the chief task of 1986 is to "consolidate, digest, supplement, and improve" those reforms which have already been carried out. This is a very important stage--one which allows us to make preparations for taking another important step in 1987. The work volume will be rather great. Reform is to negate the old and create the new. Any newborn thing can be gradually made complete and perfected only when its merits are kept and its shortcomings overcome continuously, its "positive effects" fully brought into play when its "negative effects" are checked. To complete and perfect reform policies and measures involves the work of the party and government as well as the efforts and support of people throughout the nation, including, of course, women, "who are half the sky."

Reform is also a revolution, and progress is made only by blazing new trails. In China, which is a big country with complicated conditions, a certain price must be paid for reform, and it may even give rise to some social turbulence. Such turbulence is the inevitable rough sailing of a ship of history in the course of its voyage, but it is by no means the same turbulence we suffered during the "Great Cultural Revolution." The course reform has taken in recent years has fully proven this. The purpose of reform is to change the poverty-stricken, backward features of China, to make the country and the people prosper. However, this does not mean to say that every reform measure will bring immediate material benefits to the people. Reform simply emancipates productive forces; it takes some time to create wealth. Only when we are bent on carrying out reform, and work arduously, will it be possible for us to obtain abundant material wealth. Therefore, in carrying out reform women must focus their efforts on raising social benefits and economic results, improving operations, upgrading quality, and reducing consumption. Thus, when in the future each of us women looks back on the course we have taken, we will say: I have nothing to regret, for I have already devoted all my efforts to the magnificent cause of the four modernizations!

2. BUILD SOCIALIST SPIRITUAL CIVILIZATION WITH PRACTICAL ACTIONS, PROMOTE A BASIC TURN FOR THE BETTER IN THE SOCIAL ATMOSPHERE. When carrying out socialist modernization, it is necessary for us to guard against the tendency to divorce the building of spiritual civilization from the building of material civilization. We must also guard against the tendency to grasp the latter only, while neglecting and even weakening the former. Just imagine, if the building of spiritual civilization is ignored, with the social atmosphere

going from bad to worse, how can economic building be successful? Even if some accomplishments are scored under such circumstances, what sense does it make? The Central Committee is determined to strengthen the building of spiritual civilization, and to rectify party style and social atmosphere. When the new year began, the Central Committee primarily grasped the exemplary role of central organs. To my mind, things are hopeful so long as the whole party and people throughout the country work together, so long as they genuinely grasp their work firmly, grasp it continuously for a year or two, and realize a basic turn for the better in terms of party style and social atmosphere.

Women are the task force not only in the building of material civilization, but in the building of spiritual civilization. Women in such fields as culture and education, public health, public transportation and communications, finance and trade, and post and telecommunications in particular have to face many students, customers, passengers, and clients; they are placed in an important "window" position in the building of socialist spiritual civilization. The quality of their work performance, including their attitude in their service, their style of operation, and the reputation of their work will directly affect social atmosphere and human relations. In this sense, many women are at the forefront of the building of spiritual civilization. A satisfactory work performance means making a due contribution to the building of socialist spiritual civilization.

Building socialist spiritual civilization with practical action involves doing a good job in the following two respects: First, resolutely resist and criticize the erosion of bourgeois decadent ideas. Affected by the atmosphere of "looking forward to money in everything," which was fashionable not long ago, some comrades said: "Making money means a bright prospect, besides, what's the good of lofty ideals when there are no personal interests to speak of." This is not the language of our women in the new times. In the new historical stage of reform, we women must persist in our magnificent ideals and noble sentiments. We must consciously resist the corruption of bourgeois ideas and be vanguards in the building of socialist spiritual civilization. Second, we must resolutely fight against the maltreatment and injuring of women which still goes on in our society. We must eliminate the uncivilized and immoral treatment of women. We women must take action, be bold at adopting means of resistance and exposure, mobilizing public opinion and working in cooperation with judicial departments to crack down on the illegal maltreatment and persecution of women, and ensure that criminal elements are punished according to the law. Such actions in themselves help build spiritual civilization in a practical way.

3. LEARN FROM, AND CATCH UP WITH, THE ADVANCED WITH PRACTICAL ACTIONS. In recent years many advanced women have emerged in every field in China. They have played great roles in taking the lead, stimulating and encouraging the masses. For example, Wang Guirong, former young conductress of the No 1 trolley-bus park in Beijing, had an extraordinary work performance at an ordinary post. She regarded each passenger as someone dear, serving them heart and soul. She persisted in her work even when she was suffering from cancer. She never forgot about her work even when she was in the hospital.

All those who have learned about her deeds have been deeply moved. Not long ago, the CYL Central Committee, the Ministry of Commerce, and the Ministry of Urban and Rural Construction and Environmental Protection jointly called on young people working in the "window" trades to learn from Comrade Wang Guirong. Ouyang Rongchun, former woman worker of the No 2 Textile Mill, Fushun, was an outstanding representative in the industrial field. With a high sense of responsibility toward the country, she feared no hardship and worked diligently. She was determined "to be a textile worker all her life," and "never missed a day's work in 10 years." Her motto was "life's value lies in one's contribution to the state." Even when seriously ill, she persisted in her work, fighting stubbornly against her disease. She did nothing earthshaking during her lifetime. However, her mental state of linking closely the realization of magnificent ideals with her work performance in her short life has left us a brilliant example. The Fushun City CPC Committee has recognized her retroactively, naming her a full member of the CPC, while the Fushun City CYL Committee has named her a model CYL member.

The noble ideals and exemplary actions of such progressive people reveal the orientation of our present march of times. Progressive people are pathfinders and guides in the building of the two civilizations. They should be respected and protected in the society. Regrettably, progressive people in some localities and units are now being mocked at, satirized, repressed, attacked, and isolated. This is not right. On New Year's Day 1986, I visited labor models Yang Huaiyuan and Zheng Yaqin in Shanghai. On the eve of the Spring Festival, together with the responsible comrades of such mass organizations as the Federation of Trade Unions, the CYL, and the Women's Federation, we held a discussion with nearly 30 progressive people from the communications and transportation, finance and trade, environmental protection and public health, and post and telecommunications systems. I observed from their speeches their lofty mental state. For years, these exemplary progressive people have been at the party's beck and call; they have always been the first to endure hardship, the last to enjoy pleasure. They are precisely models in linking closely the magnificent ideals of communism with their work performance. We women must learn from them. The Federation of Trade Unions, the CYL, and the Women's Federation at all levels must commend the exemplary feats of such people, talk about their historical roles and contributions in a big way, and support, bring up, and protect such people with a clear-cut stand, under the leadership of party committees and governments at all levels. The essence of doing this is precisely to foster righteousness, to deal blows at even influences, to promote a basic turn for the better in the social atmosphere, and to accelerate the building of the two civilizations.

Communism is the loftiest and greatest ideal of mankind; however, it will not come true without women striving for it. The cause of communism belongs to millions upon millions of people, but it is impossible to complete the mansion of communism without joint efforts from thousands of different posts. Sisters, let us combine closely the realization of the magnificent ideals of communism with our work performance, continuously improve ourselves, blaze new trails, and march forward on the road to the realization of our ideals!

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BE A STAUNCH GUARD UPHOLDING PARTY RULES AND DISCIPLINE

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 8-10

[Article by Qiang Xiaochu [1730 2556 0443]]

[Text] It Is Necessary To Have a Strong Sense of Urgency and Unwavering Resolve in Straightening Out the Unhealthy Trends

A central leading comrade pointed out that in building the four modernizations, we must grasp things with both hands: One hand must grasp the construction of material civilization, while the other must grasp the construction of spiritual civilization. The latter includes ideological and political work and legislative work. It is necessary to take vigorous measures to check all kinds of unhealthy trends by handling major and important cases so as to achieve a fundamental turn for the better in the party style and social mood and maintain the political situation of stability and unity. If the party style and social mood continue to deteriorate, our socialist economic construction will not be able to succeed, because the deterioration in the mentality will lead to the deterioration of the entire economy. Therefore, it is necessary to have a strong sense of urgency and unwavering resolve in straightening out the current serious unhealthy trends.

The central authorities decided that the work of straightening out the party style should be started with the central organs, urging the central party, government, and army organs to set a good example for the whole nation with their real actions. This is an inspiration to the whole party and support for our discipline inspection work, which will spur us on. At present the problem is that our discipline inspection cadres must have further initiative, do less talking and more actual work, and take effective measures to implement this decision so as to keep pace with the arrangements and demands of the CPC Central Committee.

At present it is necessary to carry out a serious and careful examination of the problems concerning style in our own units and system on the basis of conscientiously studying and comprehending the spirit of the central authorities and unifying our thought. The main contents of the examination are unhealthy trends in the six fields pointed out by the general offices of the CPC Central Committee and the State Council, with the emphasis on the problem of taking advantage of one's power to seek private interests and on bureaucratism. It is necessary to make a thorough examination of the main problems and correct them in light of the realities in our units and for ourselves, rather than evading problems or covering them up. It is necessary to find out the root causes and harm of all kinds of unhealthy trends, realistically sum up our experiences and lessons, and work out relevant regulations and rules so that our achievements may be enhanced. The work of comparison and examination should be started with the leading organs and leading cadres. The leading cadres must set a good example in straightening out the unhealthy cadres. The leading cadres must set a good example in straightening out the unhealthy trends. They must go deep into the realities, among the masses, and down to the units which have been seriously affected by the unhealthy trends to discover and solve the problems there in a timely manner. It is necessary to overcome formalism and prevent doing things perfunctorily or superficially.

The most urgent task is to concentrate forces for investigating and dealing with major and important cases. In the coming period we must get a good grasp of dealing with a number of typical cases that have done great harm and had a great impact and publicize to the masses, so as to achieve the result of striking one to warn a hundred, educating the masses, striking fear into bad people, and promoting uprightness and crushing malpractices. The discipline inspection departments at all levels must arrange the major and important cases in their own departments and systems in order of priority, determine the focal points and the most important cases, and handle them in order to importance. It is necessary to map out responsibility systems regarding major and important cases that have already been determined, get a relentless grasp on them, resist "intercessions," break down the "networks of relationships," clear away all interference, and grasp the work to the end. We must certainly not permit the practice of making a fine start and a poor finish, and still less can we delay things and miss the chance.

It is necessary to grasp the problem of "the trend of running businesses," which has caused a strong reaction among the masses. We must take stock of and sort out the companies and "centers" organized by our units and systems over the past year and more. First, we must find out how many companies, "centers," and firms have been established, which units or persons gave approval, and whether they are legally licensed, so that we may know about the situation fairly well. Second, we must discover the sources of their funds and how they have used them, to see whether they have followed state regulations. Third, we must find out whether their business policies are in line with our state policies. Fourth, we must find out whether there are any problems in their leading bodies and main leaders. Finally, we must carry out reorganization of some of them, halt their operations, amalgamate, or abolish them, as appropriate. We must certainly not allow those "briefcase companies" and "firms" without either capital or commodities to engage in illegal activities such as speculation, bribery and corruption, profiteering, and swindling. It is particularly necessary to point out that the sons and daughters of some senior cadres have quit their jobs and, disregarding public opinion and social influences, taken the post of chairman or manager in these companies and firms in order to seek personal benefits. They must awaken as soon as possible and consciously avoid taking part in this type of commercial activity, because the painful lessons of being cheated and taken advantage of by others are profound enough in this respect, to the point of consciously or unconsciously wallowing in the mire and falling into the hands of the law with them! This has a bad impact on the party's prestige and on the reputation of the older generation of revolutionaries, including their own parents.

Our party always does what it says. Now that the CPC Central Committee has made up its mind and the whole party has been mobilized to fight for a fundamental turn for the better in the party style, we will surely clear away all kinds of obstacles, overcome all kinds of difficulties, and achieve the expected goal through hard work. We must have full confidence in this respect.

Iron Discipline Is Necessary for Upholding Party Rules and Regulations

Iron discipline is an important guarantee for straightening out the unhealthy trends and successfully carrying out the construction of the two civilizations.

At present the phenomena of weakness and laxity as well as poor discipline exist in party organizations of some areas and departments, including the discipline inspection organization. In a small number of units and departments, the phenomenon of disregarding organization and discipline have become very serious. They have replaced the law with their power, not observing laws and investigating cases of violating laws, or even violating laws themselves while enforcing them. There are many reasons for all this, but a very important reason is that on the question of enforcing law and discipline, we acted too softly and leniently and dealt out excessively light punishments in certain cases and to certain individuals, resulting in a few lawbreakers becoming audacious in the extreme in committing crime after crime. Uprightness cannot be thus promoted, and malpractices cannot be arrested. These profound experiences and lessons tell us that we must be strict in running the party as well as in enforcing discipline and law and that we must have iron discipline. Only thus can we attain our purpose of saving the lawbreakers, making them "draw a lesson from the bitter experience," and educating the others. The party's discipline inspection organs are the law enforcement agencies within the party. We must faithfully carry out our sacred duty, persistently prosecute violations of discipline and law, and be strict in enforcing discipline and law. No matter which unit, area, or person it is that violates law and discipline, apart from acting with impartiality in dealing with the matter according to law, it is also necessary to hold accountable the party committee of that unit, including the discipline inspection commission. Only thus can we curb unhealthy trends and preserve and develop the political situation of stability and unity, enabling our country to enjoy a long period of peace.

Be Mentally Prepared To Fight Long-Term Battles in Straightening Out Party Style

Straightening out party style is a long-term political task that cannot be done overnight. There cannot be a permanent solution for rectifying the unhealthy trends within the party. When some existing problems are solved, in line with the development of the situation, some new problems will emerge. When one trend is checked, another trend may appear. In the socialist stage, all kinds of nonproletarian ideologies will certainly attack our party and corrupt our party members, cadres, and people. Therefore, we must make unremitting efforts to straighten out the unhealthy trends year after year so that their harm and influence may be reduced to a minimum.

In the past, whenever our party grasped the matter firmly and did a comparatively good job in ideological and political work, our party style was better and there were less problems. If such was not the case, there were more problems and the party style became worse. This can be regarded as a rule. In the preceding period, since some units and departments neglected the construction of spiritual civilization and the education about ideals and discipline for the party members, some people failed to resist the corrosive influence of the bourgeois ideology and style. Tempted by "looking for money in all things," they followed a wrong path and became involved in unhealthy trends. After we took vigorous measures against the unhealthy trends, the situation greatly improved. However, as we slackened our efforts in this respect later and did not investigate and deal with the major and important cases in good time, especially since we did not use some typical cases as negative examples to carry out education in party spirit, party style, and party discipline, the unhealthy trends gained ground again. In light of this, the central authorities called on the whole party to take action and grasp the matter level by level to achieve a fundamental turn for the better in party style. Our experience shows that under no circumstances should we neglect the construction of spiritual civilization and slacken our efforts in ideological and political work or in straightening out the unhealthy trends, otherwise, achieving a fundamental turn for the better in party style will become but empty talk.

Leading Cadres at All Levels Should Be Strong Sentries Guarding Party Rules and Discipline

The attitude taken by a party-member cadre, especially a leading cadre, toward straightening out party style is an important criterion for judging his party spirit. Why have some localities not implemented the repeated injunctions of the central authorities? There are mainly the following three reasons:

1. Liberalism in the political field: Some leading comrades close their eyes to the unhealthy trends and acts of violating law and discipline and allow them to exist and develop unchecked, "saying as little as possible while knowing perfectly well what is wrong." Some other leading comrades are often weak and incompetent in treating matters concerning right and wrong. They have disarmed themselves ideologically and thus lost their fighting strength. They have substituted party spirit with personal feeling and principles with personal relationships. They often turn big problems into small problems and small problems into no problem at all if the persons involved are their superiors, subordinates, colleagues, or friends. They usually treat leniently the cases involving their friends and cadres at

higher levels, while treating strictly those involving other people. Their logic is: "More friends, more channels"; "things can be done easily when there are more relationships." This kind of bourgeois philistinism and vulgar style are typical expressions of losing party spirit and principles.

2. Bureaucratism characterized by irresponsibility: Some people regard themselves as lords and masters and always stand high above the masses. Indulging themselves with mountains of documents and seas of meetings or conducting leadership by drawing red circles, they seldom go down to the grass-roots units or immerse themselves among the masses. Even when they go down to the grass-roots units, they just make some superficial investigations and gain some superficial understandings through cursory observation, but fail to see the new situation and solve the new problems. They are not even aware of the unhealthy trends in their own units and systems. They are flabbergasted when the problems have piled up and are exposed to the light of day! Bureaucratism of this kind provides lawbreakers with conditions to commit crimes and enables them to exploit the advantage of our reform and our policy of opening up to the outside world and enlivening the domestic economy. The result is that bureaucratism covers up the unhealthy trends, and the unhealthy trends make use of bureaucratism. Therefore, we must resolutely overcome bureaucratism, especially stubborn bureaucratism and bureaucratism characterized by dereliction of duty.

3. Individualism characterized by taking advantage of one's power to seek private gain: In our ranks, there are actually a small number of party members, even some veteran cadres holding leadership posts, who were people's heroes during the war period, but who are unable to resist the corrosive influence of bourgeois ideology in the period of peaceful construction. They have been hit by the sugar-coated bullets of the bourgeoisie and thrown away all their ideals, discipline, and the purpose of serving the people heart and soul, desiring only personal fame and gain. They have gone all out to engage in the unhealthy trends. Some have even seriously violated party discipline and state laws. Why are there so many malpractices in certain units and systems, and why do they drag on without being resolved or corrected? A very important reason is that "the upper beams are not straight" there. How can malpractices in the lower levels be stopped if the leading cadres of a unit are blinded by greed, "seek money in everything," and forget all principles when they smell profit?

In order to solve these three problems, it is first necessary to carry out education and sharp criticism so that the erring people will have no choice but to examine their problems due to the great pressure of public opinion. Second, it is necessary to strictly enforce law and discipline. Those who should be dismissed from their posts or expelled from the party should be dismissed or expelled, while those who have committed crimes should be arrested and punished according to the law. It is necessary to "severely punish the corrupt and evil in accordance with the law" rather than tolerating them and leaving troubles for the future. Our leading cadres at all levels, especially discipline inspection cadres, must enhance their party spirit, faithfully discharge their duties, and correct themselves before correcting the others in the struggle against the unhealthy trends and lawbreakers. They must dare to tackle tough problems and to touch the tiger's flanks, ignore private feelings, be impartial and incorruptible in their dealings, and be good examples in straightening out the party style and strong sentries guarding party rules and discipline.

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A REVOLUTIONARY WHO SPANNED TWO CENTURIES--PREFACE TO 'BIOGRAPHY OF LIN BOQU'

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 11-14

[Article by Wang Zhen [3769 7201]]

[Text] Comrade Lin Boqu was one of the outstanding leaders of the CPC and the PRC and an outstanding proletarian revolutionary and statesman. Beginning from the end of the 19th century, when he was still very young, he devoted himself to the great revolutionary cause of the Chinese people. He was not only a hero in the founding of the Republic of China, but also a founder of the People's Republic of China. He rendered immortal contributions to the Chinese democratic revolution, socialist revolution, and socialist construction.

During my childhood, he was already a well-known figure and a famous member of the Revolutionary Party. The first time I saw him was in January 1934 when I attended the Second Workers and Peasants' Representatives Conference of the Soviet Republic of China as a representative of the Hunan-Jiangxi Soviet Area, and he made an unforgettable impression on me. At that time, Lin Boqu was already a leader of our party and government, holding the post of financial minister of the Provisional Central Government of the Chinese Soviet. Before the meeting, he asked us about the situation of the Hunan-Jiangxi Soviet Area. Then he delivered a speech on "economic construction" at the meeting. After the meeting, he told me why he was so eager to come back from the Soviet Union to join the struggle and encouraged me to persist in struggle after going back to the Soviet area. I learned a great deal from both his report and private talk. Although he was only in his forties at that time, his hair had already turned gray and he was called "our revered Comrade Lin."

In 1936 when the three main strengths of the Red Army joined forces in northern Shaanxi, I met Comrade Lin Boqu again. During the war of resistance against Japan, the KMT launched its first anticommunist onslaught. In 1939, the 359th Brigade was transferred to the Shaanxi-Gansu-Ningxia border area from the Shanxi-Chahar-Hebei border area. At that time I was commissioner of the Suide Region, and later secretary of the Yanan Prefectural CPC Committee, commander of the Yanan Garrison Command, and commander of the garrison headquarters. I began to have more and more contacts with Comrade Lin Boqu. As I worked under his leadership and often listened to his teaching, I had greater esteem for this veteran revolutionary who had a noble mind and moral integrity.

The fighting career of Comrade Lin Boqu is closely related with the history of the Chinese revolution during this period. In his youth, seeing that foreign powers had continuously bullied and humiliated China due to the corruption and incompetence of the Qing Court, he strongly hoped that "the country will be made rich and the army be strengthened." He was in favor of the constitutional reform and modernization movement. After the movement failed, Kang Youwei and others became a royalist faction and Comrade Lin Boqu went eastward to Japan. There he became acquainted with Huang Xing, Song Jiaoren, Cai E, Liao Zhongkai, He Xiangning, Zhu Zhixin, and other revolutionaries. In August 1905, after listening to a lecture by Dr Sun Yat-sen in Japan, he joined the Chinese Revolutionary League. Then he carried out his revolutionary activities in Shanghai, Hunan, Hubei, and the three northeastern provinces. The 1911 Revolution overthrew the Qing Dynasty. After that, the Republic of China was founded. However, the fruit of the revolution was soon usurped by the warlord Yuan Shikai. Lin Boqu immediately threw himself into the struggle against the Yuan and the war to protect the Constitution, opposing the feudal warlords' attempt to restore autocratic monarchy in collaboration with foreign powers and maintaining the Provincial Constitution drawn up in the first year of the Republic of China. He continued to follow Dr Sun Yat-sen in continuing the revolutionary struggle.

After the failure of the 1911 Revolution, like many other revolutionaries at that time, Comrade Lin Boqu "often felt vexed" because of the successive failures of the revolution and the political future that was difficult to predict. "The salvoes of the October Revolution brought us Marxism-Leninism." Influenced by his good friend Comrade Li Dazhao, Comrade Lin Boqu, a radical democrat, soon became a Marxist. He joined the Communist Group in Shanghai in January 1921 and thus became one of the earliest members of the CPC. Dong Biwu and Wu Yuzhang, his old friends in the Chinese Revolutionary League, also joined the CPC in this period.

After joining the CPC, Comrade Lin Boqu still retained his KMT membership. He was one of the CPC leaders who helped Dr Sun Yat-sen to reorganize the KMT at that time. He participated in most meetings of Dr Sun Yat-sen with Chen Duxiu and Li Dazhao as well as Maring, the representative of the Communist Internationale in China, and Joffe, the representative of the Soviet Government. He also directly or indirectly helped many communists join the KMT. He did not only help Dr Sun Yat-sen reorganize the KMT, making it a revolutionary alliance of the workers, peasants, petty bourgeoisie, and national bourgeoisie, but also made unremitting efforts to safeguard Dr Sun Yat-sen's new three people's principles and the three great policies of alliance with Russia, cooperation with the Communist Party, and assistance to the peasants and workers, while carrying out resolute struggles against those who opposed and ran counter to the new three people's principles and the three great policies.

Throughout his life, Comrade Lin Boqu always followed the tide of the revolution and kept pace with the development of the times, "casting away all those things which are doomed to perish without the least hesitation." After the failure of the 1911 Revolution, many Revolutionary Party members felt disheartened and depressed. Some of them even followed the feudal warlords and became their officials. But Comrade Lin Boqu unhesitatingly joined the Chinese Revolutionary Party and continued the revolutionary struggle. After the first KMT-CPC cooperation broke down, some people advised him to break away from the CPC, but he resolutely refused and persisted in taking his own road. He then took part in the Nanchang Uprising. At the critical moment when the Chinese revolution suffered great setbacks due to Wang Ming's "leftist" mistakes, he determinedly embarked on the road of the Long March. He firmly supported Comrade Mao Zedong's correct stand and leadership and the party's policy on marching northward to fight the Japanese aggressors, and opposed Zhang Guotao's split to the right. In all inner-party struggles, Comrade Lin Boqu always stood on the correct side and, with a clear-cut stand, adhered to the party's principles, safeguarded the party's interests, and fought for the unity of the party. When Lin Boqu died, Comrade Chen Yi wrote a memorial poem for him, praising him as "a hero always upholding the correct line in his glorious revolutionary career." He really deserved this appraisal.

Comrade Lin Boqu devoted all his life to the Chinese people's liberation cause. His contributions to the Chinese revolution and construction covered a wide range of fields, especially the fields of the revolutionary united front, financial work, and state administration.

Comrade Lin Boqu was one of the organizers of the first KMT-CPC cooperation and an active advocator of the second KMT-CPC cooperation. In long-term united front work, he adhered to the party's policy on carrying out struggle while cooperating with the KMT and established broad contacts with large numbers of patriotic and democratic people. He showed a great respect for the patriotic and democratic people and intellectuals outside the party, always treated them openheartedly and earnestly, and showed great concern for their political progress and daily life. He never forgot those who had made contributions to the Chinese people's liberation cause. Therefore, many democratic people regarded him as an affable elder and reliable friend and liked to talk with him whenever they had any problems.

As an old member of the Chinese Revolutionary League and the KMT, Comrade Lin Boqu had great esteem for Dr Sun Yat-sen throughout his life and maintained profound friendship with Soong Ching-ling and He Xiangning. Moreover, even in his later years, he still cherished the memory of many old friends in Taiwan and in other countries. In 1958 at a ceremony held in Beijing's Biyun Monastery to commemorate Dr Sun Yat-sen's 92d birthday, he talked with He Xiangning and Li Jishen. When they talked about Yu You-jen, one of the KMT founders who had written a poem in Taiwan cherishing the memory of his old friends on the mainland, he showed deep sympathy and concern for him. In his poem Yu You-jen wrote: "Trees around the Sun Yat-sen Mausoleum are growing older year by year; the gravesweeper has hoary head." Comrade Lin Boqu used the same rhyme of these verses and wrote a poem in reply: "Despite the hoary head of the gravesweeper, trees around the Sun Yat-sen Mausoleum are still green; old friends from Whampoa are still living and in good health, recalling past days in the same storm-tossed boat." He hoped that his old friends in Taiwan would unite with the people of our motherland under the trees around the Sun Yat-sen Mausoleum.

Comrade Lin Boqu studied economics in Japan. He also studied financial science, bookkeeping, and statistics. During the war to protect the Constitution, he was in charge of the financial department of Hunan Province. In the period of the great revolution, he was a member of the financial committee of the KMT Central Executive Committee. Later, he continued to engage in financial work and the army's supply work during the Nanchang Uprising, in the Central Soviet Area, on the Long March, and in the early Northern Shaanxi period. After the war of resistance against Japan broke out, he was chairman of the Shaanxi-Gansu-Ningxia border region and concurrently financial and economic minister of the central government and chairman of the Central Financial and Economic Commission. He also engaged in united front work in Xian. In the long-term economic work, he accumulated very rich experiences. Particularly when he was in the Shaanxi-Gansu-Ningxia border region, he resolutely implemented Chairman Mao's instructions on self-reliance, promoting production, and ensuring supply, and rendered many outstanding contributions in this field. He also trained a large number of financial cadres for our party and state.

At that time, our revered Comrade Lin often emphasized the importance of being industrious and frugal, promoting production, and showing concern for and improving the people's livelihood. He said that only when production is promoted can we solve the economic and financial problems. It is necessary to exercise patience in doing mass work and to show concern for the people's livelihood. He advocated the principles of "to give in order to get" and "what is taken from the people is used in the interests of the people." On the development of production, he held that "the key lies in capital (referring to funds) and technology." In regard to funds, he said that it is necessary to "help transfer the idle funds among the people into profitable private or jointly owned enterprises. It is particularly necessary to do our best to obtain as much as possible capital from outside the border region so that it may be invested in profitable industrial construction of the border region. They may establish private firms in our region or run joint ventures with the regional government, and all these enterprises should be protected by law and given all possible assistance." In regard to technology, apart from making continuous efforts to arouse the enthusiasm and creativity of the workers and technicians, "it is necessary to make the greatest possible efforts to win over science and technical personnel of various fields outside the border region and encourage them to take part in the industrial and agricultural construction of the border region. When they come to our region, they should be given necessary preferential treatment." These opinions are still of great significance even to this day.

During the great production movement, Chairman Mao Zedong and Commander in Chief Zhu De put forth the policy of opening up wasteland. While shouldering the task of defending Yanan, the 359th Brigade then went to Nanniwan to open up wasteland there. The first person who went there was none other than our revered Comrade Lin. In 1943, with the gifts presented by the regional government, our revered Comrade Lin went to Nanniwan again to salute the soldiers reclaiming the land. In a speech to the soldiers he said: "The 8th Route Army is an invincible army. It is capable of capturing weapons from the Japanese aggressors to arm itself. It is also capable of conquering nature and obtaining ample food and clothing through its own efforts." His speech greatly encouraged the fighters and commanders.

Comrade Lin Boqu engaged in government work since the period of the Central Soviet Area. Later he was chairman of the Shaanxi-Gansu-Ningxia Border Regional Government for a long time. During the initial postliberation period, he was secretary-general of the central people's government. He made a great deal of contributions to the construction of state power. He was a good example in many fields, such as in correctly handling the relations between party and government, in adhering to party leadership while giving play to the role of various government departments, and in winning over and uniting with nonparty figures and making their power suit their posts. Although at that time, the Shaanxi-Gansu-Ningxia Border Regional Government was a local government in name, since Yanan was where the CPC Central Committee located and the KMT refused to recognize various anti-Japanese democratic governments behind the enemy lines, it was in reality the headquarters of various anti-Japanese base areas. Many measures it adopted in the economic, political, cultural, and educational fields had a great influence on the anti-Japanese base areas behind the enemy lines. In fact, many good traditions in our state administration, such as serving the people, are inseparable from the good styles established by Comrade Lin Boqu through painstaking labor in those years.

Apart from his outstanding contributions to the Chinese people's liberation cause, Comrade Lin Boqu was also a man of noble morality.

For a long time, Comrade Lin Boqu maintained the good style of keeping close to the masses and the style of hard work and plain living. In Yanan, he often traveled across mountains and rivers to carry out investigations and studies in various counties. Every time he came back from Xian or Chongqing, he would take a walking stick and go visit the cave dwellings and have cordial conversations with the comrades in order to find out about the situation and discuss work problems. In his later years, although he was very weak, he still attended to his duties in spite of illness. He traveled the length and breadth of the whole country to find out about the real situation, to experience and observe the hardships of the people, and to make suggestions for improving work. In his diary, he wrote in neat handwriting 10 Chinese characters meaning "serve the people and work for the world," and even affixed his seal to it, taking it as his motto.

Comrade Lin Boqu showed great concern for his comrades and cadres and attached great importance to experts, scholars, and intellectuals. He knew his subordinates well enough to assign them suitable jobs and always appointed people on their merits. He emphasized that it is necessary to judge a person by the whole of his work and his history rather than by a single act or a short period of his life. When his comrades had difficulties in their work, he always went to their aid. When they made progress in thinking and made achievements in work, he enthusiastically encouraged them. When they had shortcomings or mistakes, he earnestly helped them or seriously criticized them. He often said: "A good sweat will cure a cold." He also emphasized that the cadres should study Marxism-Leninism and Comrade Mao Zedong's work and encouraged intellectual cadres to go deep into the realities of life and integrate themselves with the masses of workers and peasants, while encouraging the cadres of worker-peasant origin to acquire cultural and scientific knowledge. He held that it is necessary to "carry out theoretical training for the cadres of worker-peasant origin and examine their work" rather than "blindly and indiscriminately flattering them as Zhang Guotao has done." At that time, many people regarded our revered Comrade Lin as their venerable elder and good teacher.

Comrade Lin Boqu was open and aboveboard throughout his life. He never concealed his own shortcomings and welcomed criticism from both inside and outside the party. An ancient saying goes: "A man who is open-minded is always happy." In his personal life, he was always simple and frugal. Even in Beijing, he still maintained the old traditions of the Yanan period.

Comrade Lin Boqu had great learning. He was a statesman, a scholar, and a poet. Comrade Mao Zedong once said that he was a great intellectual with great learning. He was very studious and always had a book in hand. He was especially studious on the works of Marxism. On the occasion of his 60th birthday, he still asked Chairman Mao Zedong for advice: "How should a person like myself study?" Comrade Mao Zedong replied: "In the final analysis, I feel that there are still the three old problems. Veteran party members like you and me still should endeavor to solve the problems concerning stand, viewpoint, and method. When we study Marxism-Leninism, the main purpose is to acquire a correct stand, viewpoint, and method for analyzing and solving problems." Comrade Lin Boqu attached great importance to this teaching of Comrade Mao Zedong and often told his comrades about it. In his speech at the Eighth CPC National Congress, he continued to emphasize the question of studying Marxism-Leninism. He said: "Combining Marxism-Leninism with China's revolutionary practice was very important during the bourgeois democratic revolution in the past; it is also very important at present in the socialist revolution." Subjectivism, "which made us suffer defeat during the democratic revolution, can also make us suffer serious setbacks in the current socialist revolution." "Only when more and more people in our ranks have gained a real understanding of Marxism-Leninism and are able to apply it skillfully can we say that our socialist construction has a reliable guarantee."

In order to commemorate Comrade Lin Boqu's 100th birthday and emulate his noble morality, the compiling group for the "Biography of Lin Boqu" has gathered a vast amount of historical materials and finished the book. By closely relating it to the rugged path of the Chinese revolution and concentrating on the key points, it makes a general depiction of the glorious and fighting career of our revered Comrade Lin and his outstanding contributions to the Chinese revolution. It also makes a particular description of his morality and style. From this we can see the path of his growth from a mere scholar to a leader of our party and state and to an outstanding proletarian revolutionary and statesman. From his fighting career, we can also gain a better understanding of the truth that without the Communist Party there would be no new China and that only socialism can save China. I think the publication of this book will be of some benefit to youths, cadres, and historical workers.

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STUDY THE LEGAL THINKING OF COMRADE DONG BIWU

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[Article by Yang Ruiguang [2799 3843 1639]]

[Text] The fifth of May this year will be the 100th anniversary of the birth of Comrade Dong Biwu. During a revolutionary career stretching over more than 60 years, Comrade Dong twice went to Japan to study law. When he returned to China, he practiced law for a time while plunging into the revolutionary movement. During the period of the new democratic revolution and the initial period of the founding of the PRC, for a long time he had charge of the party's and government's work related to the legal system. As he had a profound mastery of Marxist-Leninist theory and wealth of legal experience and was conversant with all laws, foreign or Chinese and past or present, he had pithy opinions on the science of law which stand the test of history and he could be regarded as a Marxist jurist. Today, the CPC Central Committee has called on the whole party to simultaneously grasp construction and legal system; therefore, when we study Comrade Dong's words on legal system, we will better understand their value.

Revolutionary Legal System Is the Most Important Tool in Consolidating the People's Democratic Dictatorship and Safeguarding Our Economic Construction

Comrade Dong always stressed the tremendous role of the revolutionary legal system in consolidating our people's democratic dictatorship and safeguarding economic construction. He likewise stressed the extremely great importance in establishing and perfecting our revolutionary legal system in each process of the development of our revolution and construction.

1. The revolutionary legal system is the sharpest weapon in the fight against counterrevolutionaries and consolidating our people's democratic dictatorship.

As far back as in October 1948 when the people's liberation war entered the period of decisive battles, Comrade Dong gave two speeches respectively at the inauguration meeting of the Huabei People's Government and the symposium on people's state power, in which he solemnly declared: After the establishment of a regular government, we must overcome guerrilla habits. We should not rely merely on our conscience and memory in doing our work, but must first establish a set of regular laws, decrees, rules and regulations in light of the interests of the proletariat and the vast number of laboring people. He added: Without these, it is impossible to maintain the new order; without rules or discipline, it is certainly impossible to do our work well.

Just after the PRC was founded, he was concurrently vice premier of the Government Administration Council and chairman of the Political and Legal Commission and faced the heavy tasks of establishing a democratic government and a revolutionary legal system. At the first national judicial work conference in 1950, he further stressed the important role of the work related to the revolutionary legal system. He said that once a society is freed from the influence of the war, the judicial and public security work becomes the most important tool in the hands of the people's state in fighting against counterrevolutionaries and maintaining social order.

2. The revolutionary system is of decisive significance in safeguarding our economic construction. If we think that economic work is everything, we will make a very great political mistake.

In 1953, our country entered a new period of socialist transformation and construction and economic construction became the key link in our work. At that time, to counter the ideas of some cadres of the state organs who thought that economic construction was everything and who neglected the establishment of a revolutionary legal system, Comrade Dong repeatedly expounded the view that we must strengthen the construction of our revolutionary legal system in order to ensure the smooth progress of our economic construction. He pointed out: "The revolutionary legal system is of decisive significance in maintaining the revolutionary order, consolidating the people's democratic dictatorship, protecting people's democratic rights and legitimate interests, and safeguarding the state's economic construction." ("On Socialist Democracy and Legal System," p 101) He held: As the period of large-scale planned economic construction approaches, the task of our political and legal work will be even more arduous and heavy. On the one hand, we have to continue to severely repress counterrevolutionary sabotage, and on the other hand, we should also mete out legal punishment to other criminals who have undermined the construction of our country and the people's democratic order.

How are we to ensure the smooth progress of our economic construction by our legal work? Comrade Dong held that we had to strengthen the education in observing laws and labor discipline among all the workers in our state organs and all our citizens and gradually heighten all people's consciousness in observing law and discipline. We should gradually perfect our legislation and formulate necessary laws. We should continue to fight against crimes of graft and embezzlement of state property and punish the culprits according to the law. We should mete out due punishment to those who are guilty of serious waste. We must strictly investigate and affix the responsibility for major accidents due to negligence and oppose the practice of wrongly classifying accidents which occur due to negligence. In his article entitled "Continue To Strengthen Our Political and Legal Work in the Period of Economic

Construction," he pointed out: "If we do not have a powerful state machinery of the people's democratic dictatorship, if we are engrossed in our economic work and carried away by the victory in our economic construction," "if we forget that there are still counterrevolutionaries who will carry out sabotage, if we forget that in the socialist transformation in the future, there will be complicated class struggle, and if we think that economic work is everything; then we will be making very serious political mistakes."

3. Only by perfecting our revolutionary legal system and consolidating our legal order can we protect and develop our productive forces. We must pay close attention to eliminating the malpractice of paying no attention to and failing to observe law in our party.

In 1956, our country had already basically completed the socialist transformation of the private ownership of means of production and thus began a new stage in the development of Chinese history. On the one hand, Comrade Dong felt that our country's legal system had made tremendous progress; but on the other hand, he also felt that the development of our legal system fell far short of the demand of the new situation, that it was not complete (in particular, we had not yet formulated our important basic laws such as criminal law, civil law, criminal procedural law, and civil procedural law), and that the existing laws were often not followed. What made him even more anxious was that in our party, long-standing ideas that upheld privilege, that neglected law, and that refused to follow the law continued to exist. If we did not pay close attention to overcoming them, there would be some latent misfortunes. Therefore, in his important speeches to the Eighth CPC National Congress and the conference of the procurators of military procuratorates and presidents of military courts, he systematically and deeply summed up the achievements and problems in the construction of the new China's legal system, pithily analyzed the root causes of the malpractice of overlooking and failing to observe the law in our party, laid further stress on perfecting our revolutionary legal system and consolidated legal order, and proposed the important idea that "following the law in doing our work is a key link in continuing to strengthen our legal system." He said that the state's tasks had already switched from emancipating the productive force to developing and protecting the productive forces; therefore, we must continue to strengthen and perfect the people's democratic legal system in order to continue to defend the people's democracy, consolidate our legal order, safeguard people's democratic rights, protect public property, and even more effectively give play to people's initiative and creativeness. At the same time, we had to continue to purge counterrevolutionaries and combat all illegal and criminal activities in order to ensure the smooth progress of the undertaking of socialist construction. He also stressed: "Our public security departments, procuratorates, courts and all state organs must act in accordance with the law." He exhorted the whole party: "We cannot treat lightly" the practice in our party of failing to attach importance to or observe the state legal system and "we must make an effort to think of a way to overcome it. Maybe it will take a relatively long time to eliminate this practice, but if we fail to adopt effective methods to start eliminating it now and if we delay the efforts to eliminate it till a later time, then it will hinder our construction of socialism even more." ("Selected Works of Dong Biwu," pp 417-418)

We Should Act According to Our law and Refrain From Conducting Any Mass Movement

As a party and state leader, Comrade Dong Biwu made an important contribution to the construction of our legal system, namely, when there was a radical change in our country's national conditions and key tasks, he promptly and unambiguously put forth the correct view that "our public security departments, procuratorates, courts, and all state organs must act according to the law" and should no longer carry out any mass movement. This was a major practical and theoretical issue that we should have solved in the mid-1950's in the development of our country's socialist revolution and construction.

In January 1954, at the second meeting of the Government Administration Council and the second national procuratorial conference, Comrade Dong pointed out: Compared with the past, in carrying out a planned construction, we are in a better position to act in accordance with our law and generally, we should first formulate a law and then do things in accordance with it. He also said: The situation after the beginning of the economic construction differs from that when we were carrying out movements; therefore, it is even more necessary for the people all over the country and all state workers to strictly observe law and discipline.

In 1956, our country achieved successes in the socialist transformation of the private ownership of means of production and class struggle was no longer the principal contradiction. Comrade Dong began by making a further analysis of the side-effect of mass movements and clearly pointed out the important view that we did not always have to carry out mass movements nor adopt the method of mass movement in eliminating counterrevolutionaries and cracking down on the criminal activities of gangsters. At the national court presidents' conference, Comrade Dong said: Now coercion and commandism are common in our work style. If we do not overcome them, the masses will oppose us and we will become the targets of revolution. In his speech to the eighth national party congress, he also pointed out that mass movements might produce a side product, namely, they might encourage people to look down on all legal systems. At the same time, he also put forth the slogan that we must "have law to follow" and "be sure to follow any law we have formulated." He once more appealed to the whole party: We should quickly formulate the laws that we urgently need including criminal law, civil law, procedural law, and labor laws; we should pay close attention to teaching our party members and masses of people to observe law; we should strengthen our procuratorial work, intensify the division of labor cooperation and mutual restriction between our public security departments, procuratorates and courts; and we should vigorously train public security, political, and legal workers in order to actually implement the principle of working in accordance with the law.

Both the positive and negative experience that we have gained in the nearly 30 years since 1957 proves that when the socialist revolution has already achieved a decisive victory, when the exploiting class has already been wiped out, when all the means of dictatorship and education are firmly in the hands of the masses of people led by the working class, and when the task of revolution has already switched from emancipating the productive force to protecting and developing the productive force, continuing to regard stormy mass movements as the means to solve social contradictions not only cannot guide the revolution in achieving its victory, but on the contrary, may harm our own people, cause confusion in our own ranks, and even provide our enemy with loopholes to take advantage of, thus causing our revolution and construction to suffer serious setbacks. History has fully proved that Comrade Dong's important idea on acting according to law and refraining from conducting mass movements is a truth of tremendous practical significance.

CPC Members Should Set Example in Observing the Law and Must Be Severely Punished When They Have Violated the Law

Comrade Dong always stressed that CPC members had to set an example in observing the law and that they must be severely punished when they violate it. In a series of articles and speeches including one entitled "Lead Government Work Better," he repeatedly stressed this.

1. A CPC member should set an example in observing the law and when he violates the law, he must be severely punished. This is determined by the nature of our party as the vanguard of the working class and the class nature of our law.

Comrade Dong always held: The interests of the masses are precisely where the sole interests of our party lie. The party can have no interests other than those of the masses. Our party is by no means a faction and it can never pursue the interests of a faction or gang of people as Green and Red Gangs did. Putting the interests of the party above everything means putting the interests of the masses above everything. Our people's democratic legal system embodies the will of the masses themselves under the leadership of the working class. Our law is formulated by the state supreme organ of power through strict legislative procedures and is the unity of the party's and people's will. Therefore, by observing the law of state in an exemplary fashion a CPC member is precisely acting to safeguard the party's interests as well as the people's interests and democracy. This is an important yardstick to measure the party spirit of a party member, and is also a touchstone to test the nature of our party. Therefore, he held, "violating state law means violating party discipline" and must be punished by state law and party discipline. Our party is a selfless party. "The party never shields criminals," and "the party is much stricter with its members than nonmembers." "A nonparty member may innocently violate the law but we party members are enlightened people. When an enlightened person commits a crime, we can by no means forgive him but should punish him more severely. Otherwise, we will not be able to convince our people." He called on the party organizations at all levels to earnestly keep in their minds that "because all over our country its members did not follow the laws and orders promulgated by the government under its leadership, the KMT was hated by the people in our country. We should take warning from this." (Ibid., pp 58-59)

2. The idea that CPC members should set an example in observing the law and must be severely punished when they have violated the law, was put forth in the light of the party's position and role and the reality in our party.

Comrade Dong always held that our party members were advanced elements and had to set an example among the masses and that "we party members must set an example in observing the Constitution and law and lead the masses of people in observing them. If we ourselves fail to observe the Constitution and law, how can we lead the masses in observing them?" (Ibid., p 344) He also held that if our party members failed to observe the law, we would not be able to require the masses to observe the law. Then it would be impossible for us to implement the principle of "being sure to follow all existing laws" and "when not observed, our law will be useless and will play no role." (Ibid., p 452)

Comrade Dong soberly saw that in our party, on the one hand, because of the influence of petit bourgeois anarchic thoughts and the prolonged application of the work method of carrying out mass movements, the habit that regarded law as a form and that held that it was too troublesome to do our work in accordance with the law was fairly much in vogue; on the other hand, a few party members thought that they were privileged and that "the legal system governs only the common people and they are outside the scope governed by the legal system." He was of the opinion that the cadres of state organs failed to observe the law or to work in accordance with the law more frequently than common citizens in the society did. In his speech to the Eighth CPC National Congress, he listed the following incidents of failure to observe the law: Sessions of people's congresses were not held according to the period of time stipulated by the law, deputies to people's congresses were restricted in reflecting the voice of the masses or dismissed without legal procedures; the functions of our party and government were not separated and party committees often took on the work of state organs; quite a few localities and departments had violated the law and discipline, encroached on people's democratic rights, and resorted to coercion and commandism; economic organs failed to carry out their contracts; and some areas failed to arrest offenders in accordance with the procedures stipulated by our law, refused defendants the right to defend themselves and to appeal, and maltreated prisoners. Comrade Dong also held that the "problems will be even more serious" when party members and government workers violated the law. This would cause greater harm than the violation of law by nonparty members and ordinary citizens. Therefore, he stressed that in order to really "act in accordance with the law," we "must investigate and affix the legal responsibility of anybody who has deliberately violated the law, no matter how high his position is and no matter how great his past contribution was." (Ibid., p 419) He pointed out: We should not "forgive offenders because of their contribution in the past," because "this was a practice by which feudal rulers deceived the masses of people." ("Improve Administration of Law") Grafters among party members must be more severely punished. "Legal punishment should be meted out to them in additional to party disciplinary punishment." "Only by so doing can we reduce or even eliminate graft. Otherwise, preventing graft will become empty talk." ("Selected Works of Dong Biwu," p 171)

Comrade Dong put forth the idea that on the one hand we had to teach our party members to become models in observing the law, and on the other hand, we had to severely punish the party members who had violated the law. By so doing we would grasp the key to solving the most important problem in being sure to follow all existing law and acting in accordance with the law. Both our historical and current experience has proved to us that if we fail to be severe in punishing, according to our law, the party members, in particular, responsible party cadres, who have violated the law, if we merely tell them to make self-criticism instead of holding them legally responsible or if we substitute an administrative punishment for a legal one or mete out light punishment for serious offenses; then we will harm the party, the people, and the country rather than showing loving care for our party members and cadres. Only by punishing them severely in accordance with the law can we facilitate putting an end to corruption, safeguarding the dignity of the state's legal system, and eliminating the practice of attaching no importance to and failing to observe the law of the state.

Comrade Dong Biwu's views on our legal system are rich and profound in content and characterized by continuity, a clear-cut stand, and creativeness. We feel happy that since the 3d Plenary Session of the 11th CPC Central Committee, the party and state and the judicial circles have universally attached importance to his ideas on legal system and the series of correct opinions that he put forth. Following the publication of "Selected Works of Dong Biwu," "Collection of Dong Biwu's Political and Legal Articles" will soon come off the press. We should conscientiously study and master Comrade Dong's ideas on legal system, resolutely implement the CPC Central Committee's important principle on simultaneously grasping our construction and legal system, promote, with our actual deeds, the development of our socialist legal system, and help bring a radical turn for the better to our party style and general mood of society.

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ECONOMIC MECHANISMS AND THE COORDINATION OF REFORMS

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[Article by Wu Jinglian [0702 2417 8834]]

[Text] The discussion of the economic structural reforms in the CPC Central Committee's "Proposal for the Seventh 5-Year Plan for National Economic and Social Development," from beginning to end is permeated with an important idea. That is: All the reform measures must be coordinated. The carrying out of coordinated reforms is closely and indivisibly linked with the concept of establishing economic mechanisms. The aim of coordinating well the reform of the planning systems, pricing systems, financial systems, banking systems, and labor wage systems is to form a set of fine economic mechanisms. This article will discuss the question of the relationship between economic mechanisms and coordinated reforms.

The previously quite uncommon term "economic mechanism" has in recent years gradually become quite widely used. As the economic structural reforms have gradually developed from the rural areas to the cities, in the process of discussing, planning, and actually establishing new economic systems, people have gradually come to realize that the use of this concept "mechanism" is indispensable. However, there are some comrades who feel that "economic mechanism" is a difficult new foreign term, the meaning of which is quite obscure, and thus they do not support the use of this concept. Actually language develops as things develop and also develop as man's understanding becomes deeper. Reforms in science are often first manifested as changes in language. As our economy develops toward a higher and more complex stage, and in the wake of the deepening of the economic structural reforms, the term "mechanism" will see much greater use. When we look at the Central Committee's "Proposal" we see that when it notes the tasks in economic structural reforms during the Seventh 5-Year Plan, it repeatedly uses the term "mechanism."

Saying that "mechanism" is a new word is correct in one respect and incorrect in another. Long ago, people showed that the term "mechanism" has its origin in the ancient Greek word "mechane" which meant tool or machine. That is, it meant a device by which people achieved a certain goal. It was first used in engineering to refer to the structural form and work principles of a tool or machine; for example, the firing mechanism of a cannon or a bow, and so on.

Since the materialists' concept of "man is a machine" became prevalent in the 18th century, this term has been used in biology and medicine, to describe how the various tissues and organs of a biological organism are organically combined and the complications produced by their changes and mutual roles. Economics has only recently borrowed this concept from engineering and biology and it has great value in explaining the economic system as a large machine or a biological organism, realizing its overall function by the mutual roles of its various constituent parts. However, the concept "mechanism" is not a complete stranger to Marxist political economics. In the classic "Das Kapital," this term appears many times. A fellow of the Soviet Union Academy of Sciences has pointed out that the term "mechanism" appears at least 20 times in Marx' works. It is just that in the Chinese translations of Marx' works, it is often translated as "structure" and thus has not received people's full attention.

I must repeat that the increasing use of this concept "mechanism" in socialist economics is clearly a new development. This development is mainly linked with the following two factors:

1. Following the development of the socialist economy, the relations of coordinated division of work between the various parts of the socialist economic system have become daily more all-embracing and closer. The national economy has increasingly become a large, comprehensive, unified system. Research into this large system's structural forms and principles of movement has attracted increasing attention.

The term "mechanism" has the meaning of system or process. We can see from economic history and scientific history that the concept of economic mechanisms and economic systems are both products of modern industry, and have developed in the wake of modern economic development. At the stage when mankind's socioeconomic development was quite low, the structure of economic systems was quite simple and economic processes were not complex. This was especially so in feudal and semifeudal natural economies when the national economy was not an organic combination of units and departments with different functions. Rather, it was a simple reduplication of small villages which basically had the same function and which were all self-sufficient. Marx described it as being "formed from a collection of like numbers, just like a bag of potatoes is composed of individual potatoes within the bag" ("Selected Works of Marx and Engels," Vol 1, p 393), and thus could not form an organic system. At the same time, the horizontal relationships between the various manors were not close and the overall function of the national economy was not brought into play by their mutual roles or coordinated actions. Thus, the concept of mechanisms was very rarely used in economic analysis, especially in macroeconomic analysis. Since the gradual development of modern industry, the situation has changed. Modern economic activities are becoming more complex daily, within the economy coordinated divisions of work exist widely, the links between economic units and departments are being strengthened, and the overall national economy is daily becoming a more organic and complete complex system. The completion of production tasks, and socioeconomic development are not things which an individual unit can realize and they cannot be realized if all units carry out parallel operations. Rather they are the result of coordinated roles in the overall system. In the early period of socialist construction, the economic structures of all countries were quite simple, and the problems which had to be handled did not touch wide areas. Later, as economic systems became more complex, the resolution of a problem often "involved everybody." Thus research into economic systems and economic mechanisms became daily more important. It is precisely because of this that, since the 1960's works on economics in the Soviet Union, Eastern European, and other socialist countries have increasingly used the term "mechanism."

2. Following the shaking up of the leading position of traditional economic models, the role of various economic parameters and economic levers has become increasingly important. The fixing of economic parameters and their functions and the mechanisms by which economic levers play their mutual roles have also received increasing attention.

According to traditional models, socioeconomic activities, from macroeconomic activities to microeconomic activities, are all brought into play in accordance with principles similar to those of the natural economy and through instructions from administrative organs at various levels. The law of value played no regulatory role in enterprises' microeconomic activities. Money and prices to a large degree were only passive reflections of distribution in kind, and were not parameters for determining an enterprise's activities. It appears that the instructions of administrative organs played the decisive role in socioeconomic activities, while objective economic mechanisms were not that important. This was the objective basis on which, for quite a long time, economic mechanisms were not paid due attention in socialist political economics and voluntarist ideas were prevalent. In such an environment, it was very easy for people to confuse the orders of leading organs with objective economic patterns, and to believe that once there was an order putting forward targets to be completed, demands to be met, and standards to be adhered to, all had to be realized in accordance with the intentions of the leading organs. The results, however, were not always as expected. In fact, when objectively the economic mechanisms for realizing these demands did not exist, or when the functional direction of the objective economic mechanisms ran counter to the goals set by the leading organs, these subjective demands could not avoid failure. For example, under the old system, the leading organs repeatedly made calls for intensive production and for the improvement of economic results. However, under this model, what existed was completely the opposite, with the enterprises being impelled to carry out extensive operations and extend and expand economic mechanisms. Thus, these calls often attained few results. The repeated occurrence of this situation gradually caused people to understand that in order to improve the activities of enterprises and of individual laborers, the most important thing was not to put forward demands in respect of "how things should be done," but rather to reform economic management systems, and establish economic mechanisms which enabled people to realize these goals.

The various socialist countries have adopted different forms in their reform of the traditional models. However, the general direction is to develop commodity production and commodity exchange and expand the regulatory role of the market in enterprises' microeconomic decisionmaking. What is called regulation by market mechanism is not as straight forward and simple as the direct administrative control system noted above, where the upper levels hand down directives in respect of specific economic activities and the lower levels are responsible for implementing them. Rather, it is an overall process by which the commodity producers regulate their own activities in accordance with the supply and demand situation in the market. Initially, the pricing signals on which commodity producers make decisions are formed through the supply and demand ratios and other factors. Afterwards, the various commodity producers make their investment decisions and production decisions in accordance with the pricing parameters. Under socialist conditions, regulatory market mechanisms are more complex. Here, the state uses various economic levers in a planned way to positively participate in the formulation of market parameters, so that the enterprises' decisionmaking accords with social goals and the national economy develops in a sustained, stable, and coordinated way. It is in this sense that we can sum up the contents of economic structural reforms as the establishment of a set of new economic mechanisms which combine planning and market regulation, to replace the old economic mechanisms characterized by administrative orders from the higher levels to the lower levels and the lower levels having administrative responsibility to the upper levels. Thus, some socialist countries directly call the system established after the economic reforms "the new economic mechanism." In order to do well in the reform of the economic structural reforms, it is natural that people pay attention to researching economic systems and economic mechanisms.

Researching and planning economic mechanisms which can be effectively used are not only important theoretical questions, but also important practical problems.

The necessity of reforming our nation's old economic mechanisms was already recognized in the latter part of the First 5-Year Plan. However, before the 3d Plenary Session of the 11th CPC Central Committee in 1978, economic structural reforms never got into the right track. Previous reforms were often carried out in a piecemeal way with things being done when required and with stress being placed on individual and partial measures. The overall and systematic nature of the reforms was overlooked and thus it was not possible to form complete economic mechanisms of benefit to the realization of the socialist economic goals. At various times, the focal point of reform work has been placed on "systems delegation," thinking that in this way decisionmaking will accord with the grass-roots level, and the enterprises will have a greater possibility of bringing into play their enthusiasm and creativity. There was absolutely no understanding of the fact that changing the enterprises' jurisdictional relationships did not mean that one was establishing a mechanism enabling and ensuring that enterprises improve their operations in accordance with social demand. After power was delegated to enterprises, operations management and economic results did not improve greatly. Rather, the national economic balance and supply and marketing coordination were harmed because the divisions between departments and regions were exacerbated. Thus, the pattern of the systems changes in the 1960's and 1970's was almost like a merry-go-round, with "delegation of power" followed by "tightening" and "tightening" being followed by "delegation." At other times, what was stressed was the strengthening of material incentives for enterprises and staff and workers. To this end, various systems including profit retention systems, were established to reward the industrious and penalize the lazy, to reward the superior and penalize the inferior. However, because the reforms were carried out singly, not in coordination with other appropriate pricing, tax, and financial reforms, an entire mechanism by which rewards and penalties based on a true assessment of whether an enterprise's operations were good or bad, could not be formed. Thus, it often occurred that the amount of an enterprise's profits and the level of its income was divorced from its operational situation. Also, the enterprises were subject, to various degrees, to the influence of external factors which had nothing to do with the efforts that the enterprises put into their operations. Thus maladies such as "unequal distribution of problems and benefits" and "whipping a fast ox" appeared and the aim of rewarding the industrious and penalizing the lazy, rewarding the outstanding and penalizing the inferior could not be realized.

The lessons of the reform experiences in the 20-plus years before the 3d Plenary Session of the 11th CPC Central Committee and the experiences of the reform experiments since then have caused us to realize that the economic structural reform is a vast, systematic process. It does not depend on the implementation of individual measures or the institution of partial reforms to realize its effectiveness. If we wish to achieve success, we must adopt measures in an overall way in respect of all major links of the economic system and thereby form a complete set of economic mechanisms which are necessary for strengthening socialist economic activities. The "Decision on the Reform of the Economic Structure" which was passed by the 3d Plenary Session of the 12th CPC Central Committee sketched an outline of the goals of these reforms. It points out that the socialist economy is a planned commodity economy. This is a scientific stipulation which accords with the basic characteristics of our national economic system, and at the same time lays down basic principles on which to draw up a more specific blueprint of the reforms. As has been pointed out before, a commodity economy is a social system composed of many commodity producers who are separate from each other but still closely related, and it relies on the operation of the overall market mechanism. As to the planned commodity economy, it is a more complex entity comprised of various organically combined motivational, work, regulatory and other levers and gears. Through the mutual roles and coordinated work of its constituent parts, this large apparatus can bring into play the market mechanism to promote rational operational functions and, through social planned regulation, can overcome the blindness and spontaneous fluctuations of the commodity economy. Thereby, the rational deployment of social resources and the stable growth of the national economy can be realized.

Of course, an economic system consists of many thousands of things. The problems of the old economic system are difficult to deal with. These problems must be divided into the serious and the minor, the pressing and the not so urgent, so that the reforms in all links can be completed at the same time. However, the effective bringing into play of the role of any economic system depends on whether its basic components can be coordinated. Thus, the reform of the basic links must be carried out in a coordinated way.

Since the 3d Plenary Session of the 11th CPC Central Committee, in carrying out the overall reforms, we have gained a great number of experiences in respect of establishing a planned commodity economy system. This has given us a deeper understanding of how to bring into play the economic mechanisms of the new economic system, and thus the new system's work blueprint is becoming more specific and more clear. Experience has told us that if a regulatory market mechanism is to be effectively brought into play in the planned commodity economy, the new economic management system must at least have the following three mutually related basic links: 1) socialist enterprises which are relatively independent commodity producers, which decide on their own operations, and which are solely responsible for their own profits and losses; 2) a regulated, and at the same time competitive, socialist market system; and 3) a macroeconomic regulatory and control system which accords with the socialist planned commodity economy and can, in accordance with the interests of society, smoothly carry out regulation. The first link relates to organizing the basic elements of the new economic system. The second link relates to the environment in which these elements (enterprises) will operate and the relationships between them. The third relates to the regulatory tools necessary for regulating the vast machine of the national economy so that it can accord with the goals. The organic combination of the above three elements constitutes the target pattern for economic reform. Their reform must be carried out "as a package." If it is not, it will be difficult for the new system to work effectively. For example, if we only reform the enterprise management system, and we give the enterprises quite an amount of autonomy, but do not establish a competitive market, then the enterprises will lack motivation and pressure to improve their operational activities. Also, because we will not be able to provide enterprises with correct pricing signals on the basis of which they can make decisions, it will be very difficult to guarantee that their autonomous operations will always accord with the interests of the society. If we just allow these enterprises, which have independent operations and are solely responsible for their own profits and losses, to compete in the market and do not have a macroeconomic regulatory and control system which can smoothly regulate the tightness or otherwise of the economic system, and cannot control and regulate economic activities in accordance with the plans, then the economy will be completely subject to market mechanism and there will be large fluctuations and divergences from social plans. Such a situation is often seen in free, laissez-faire market economies. However, if we only pay attention to the establishment of a macroeconomic regulatory and control system and do not give the enterprises sole responsibility for their own profits and losses, but instead give them firm budget restrictions, then the macroeconomic control will lose its microeconomic base, and it will be difficult for macroeconomic regulatory and control measures to elicit sensitive responses from enterprises. For example, the adjustment of bank credit interest rates to regulate the amount of money in circulation is one of the most important means by which the planned commodity economy exercises macroeconomic control. However, its effectiveness has, as a precondition, a certain hardness in the enterprises' financial budget restraints. If the system of financial supply is maintained, and enterprises are able to eat from the banks' "big pots," and there is still the system of "a thousand years with no blame and 10 thousand years with no repayment," in respect to the credit principal supplied, then the effectiveness of raising interest rates and adjusting the tightness of the market will be restricted.

Of course, the so-called overall "package" reform does not mean that "everything can be accomplished at one stroke," or that in a morning we can resolve all the problems of the old system. Because of the complexity of the problems, the establishment of new systems often requires several interlinked steps. However, we should first pay attention to two matters: First, there must be a certain sequence in the steps. We must ensure that the initial and the later steps can be linked together. The reforms in the initial stages establish conditions for the reforms in the latter stage, and should not create difficulties or obstacles for future development. Second, all aspects of the reforms must be coordinated. We must seek to ensure that at every stage, the reform of each major link of the economic system is carried out at the same pace. Only in this way will it be possible to ensure the formation of those economic mechanisms which have been planned. The "Proposal" by the CPC Central Committee sums up the experiences of reform over the last few years and makes the "Decision" passed by the 3d Plenary Session of the 12th CPC Central Committee more concrete. It also puts forward a coordinated strategic plan which involves a sequence of progress for the overall reform of the economic system. The "Decision" stipulates that in the next 5 years or longer, the embryo of a socialist economic system with Chinese characteristics will be basically formed, and that following this it will be gradually perfected. In building this economic system, it is important to do well in linking three aspects: 1) Further strengthening the vigor of enterprises, especially large and medium-sized whole-people ownership enterprises; 2) reforming the pricing systems and pricing management systems so as to gradually form and improve a market system; and 3) reforming and improving the financial, tax, and banking systems, and readjusting and regulating the organizational structure of government economic management departments at all levels, so that state management of enterprises gradually changes from mainly direct control to mainly indirect control. Also, the work of laying a new economic systems base must be done in steps and be linked with other work. And so on.

If we are to effectively bring into play the role of this economic mechanism, there is still the problem of establishing a suitable economic environment. This is because any mechanism, if it is to be brought into play, requires certain external conditions. In this respect, the CPC Central Committee has already established a correct policy. The "Proposal" has established a rational rate of growth for the Seventh 5-Year Plan. It also points out that in the first 2 years of the plan, we must put stress on controlling overall social demand, and resolving the problems of excessively swift growth, excessively great investment in fixed assets, and excessive growth in consumption funds, so as to create a fine economic environment for the reforms. At the same time as we put efforts into stabilizing the economy, we should carry out the reforms unswervingly, carefully, and safely. Strengthening macroeconomic control which mainly consists of indirect controls, putting order into the pricing system, improving the hardness of budgetary restrictions, and strengthening enterprises' vigor are, on the one hand, important steps in carrying out the reforms and, on the other hand, are advantageous to the further stable development of the national economy. Thus, in accordance with the conditions, we should positively carry out these measures.

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FLUCTUATION IN SUPPLY AND DEMAND FOR PERISHABLE AGRICULTURAL PRODUCTS AND ITS CONTROL

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[Article by Lu Mai [4151 6701]]

[Text] Regulation Through Market Mechanism Concerning Perishable Agricultural Products and Supply-Demand Fluctuations

Since last year, the state has no longer been handing down unified or assigned purchase tasks to lower levels, except for a few products. Rather, in accordance with the different situations, it is separately implementing contract purchases and carrying out market purchases. At the same time, within cities, the operations in respect of perishable agricultural products such as meat, poultry, eggs, aquatic products and vegetables have been freed.

The freeing of these operations as well as the further expansion of regulation by market mechanism has realized the anticipated results. First, the purchase price has risen, stimulating the development of production. In 1985, the number of pigs raised and the number of pigs sent to market were, it is estimated, 4.5 percent and 5.5 percent respectively up on the figures for the previous year. The estimated amount of pork, beef, and mutton produced was 32.85 billion jin, an increase of 6.6 percent over 1984. From the winter of 1984 to the spring of 1985, over 2 million mu of new fish ponds were excavated, and it is estimated that in 1985, aquatic products produced exceeded 6.5 million tons, 300,000 up on 1984. Of this, fresh-water aquiculture grew by over 20 percent. The area planted to vegetables, melons, and fruit also increased and production of these products likewise increased. Second, it promoted the reform of the circulation system. The economic forms and structures of state, collective, and individual commerce all became more rational. Sideline agricultural product wholesale markets, trade centers, trade warehouses and urban agricultural trade markets all developed quickly, and market structures improved over the previous situation. More regulations obstructing agricultural product circulation were removed and market management was improved. Third, things were made more convenient for the consumers. Network points increased, commodities were in quite good supply, perishable goods which had not been seen for years appeared in the markets, the spoilage rate for vegetables was lowered, and so on. Following the development of production, the price of vegetables and fruit in many cities fell again.

Fourth, it has reduced the burden on the state. Last year in Beijing, the state saved 1 million yuan of financial subsidies in respect of watermelons alone.

Perishable agricultural products being freely sent to market, freely traded, sold as necessary and prices being decided in accordance with quality, accords with the objective laws of the commodity economy and also accords with the characteristics of easily perishable products such as meat, poultry, eggs, milk, aquatic products, and vegetables. However, regulation by market mechanism can give rise to fluctuations in the supply of and demand for agricultural products. When commodity supply does not meet demand, prices rise and producers greatly increase production. However, as prices rise, demand falls and the products cannot be sold. This in turn leads to a reduction in price and the producers then reduce their production. This repeated cycle gives rise to periodic fluctuations. Also, there are various factors both on the supply side and the demand side which can destroy an existing balance.

Supply-demand fluctuations have a positive side. They allow the state to understand, in a timely way, the production and consumption situations, and it can thus change and reform policies and systems which do not accord with economic development, and learn how to use the law of value. They can also promote competition among producers in terms of prices, quality, and product types, which is of benefit in the application and popularization of new technology and in promoting the progress of agriculture. It can also promote enlivened circulation by commercial operators.

However, supply-demand fluctuations can also have negative influences in many respects. The great price increases which occur when supply does not meet demand can harm the interests of the consumers. When prices slump due to excess supply, it greatly affects producers. In the supply-demand fluctuations in respect of perishable products, these negative effects are even more prominent.

In the expenditure of our nation's urban citizens, expenditure on nonstaple foodstuffs (the majority of which is spent on perishable agricultural products) constitutes one-third, and greatly exceeds outlays on any other specific items. Thus, increases in the prices of sideline food products, and especially of perishable agricultural products, have a great effect on the people's living standards. If the fluctuations are great, and they are sustained for long periods, the consumers find them difficult to bear.

If supply-demand fluctuations in respect of perishable agricultural products are too great, it will inevitably lead to growth in wages, which will not only affect the state's financial expenditure, but will also increase the wage costs of other products, which will lead to price increases for these products. An increased purchase price for perishable agricultural products will also affect the ability of these products to earn foreign exchange through exports. It can thus be seen that great fluctuations in the supply of and demand for perishable agricultural products can have a disadvantageous effect on the stable and sustained growth of the overall national economy.

If we are to fully exploit the positive role of regulation by market mechanism, and avoid as far as possible the negative effects it can bring, we must strengthen state planned regulation and planned guidance. The "Decision of the CPC Central Committee on Reform of the Economic Structure" points out: "Our nation's economy is on the whole planned economy, that is a planned commodity economy, not a market economy which is entirely subject to market regulation." We must, through the planned regulation of production and circulation spheres, reduce as far as possible the degree of supply-demand fluctuations brought about by market mechanism, and reduce the time taken to achieve a supply-demand balance.

After the expansion of regulation by market mechanism in respect of the production and circulation of sideline agricultural products, whether or not we can find a concrete method by which to effectively strengthen planned regulation and planned guidance, is the key to whether success can be achieved in the economic structural reforms and whether the urban and rural economics can see stable, sustained development.

The Three Stages of Supply-Demand Balance and the Present Situation

In regulation by market mechanism, the volume of supply, the volume of demand, and prices all have mutual roles, which cause the supply-demand relationship to move from imbalance to balance and again to imbalance. In the process of reforming the pricing system, in general there are three stages:

The first stage. The abolition of the systems of coupons and certificates and the great increase in the wages of staff and workers will result in much higher demand, and there will be insufficient time to make the necessary adjustments in supply. This will result in a sudden increase in the prices of the relevant products.

The second stage. The supply side carries out readjustment in respect of the variable production factors, for example by expanding the labor force or extending labor hours, so as to accord with the increased demand. Thus, within a certain period, a new supply-demand balance is achieved and because the supply volume has increased, the market price drops.

The third stage. The supply side not only carries out readjustment in respect of variable production factors, but after quite a long period also readjusts other production factors. Then, the resulting market price is mainly based on supply costs and it is lower than the price at which the short-term balance was achieved. But because increased supply means increased costs, the price is higher than the original price.

Let us take Guangdong pond-fish as an example. In 1980 when Guangdong freed some agricultural products from controls, the demand for fish greatly increased. However, supply could not immediately catch up and the price of pond-fish increased steeply. When it reached 3 or 4 yuan per jin, the price stabilized. This price effectively distributed the restricted supply of pond-fish and at the same time stimulated the producers to improve their technology and put in more labor and more feed so as to increase per-unit area yield. Following an increase in the supply volume, the price gradually fell to about 1.8 yuan and then stabilized. At the same time, more peasants began excavating fish ponds to increase the number of fish raised. Within 3 years, production volume greatly increased and the price began to decline, falling to about 1.2 yuan. At this price, the peasants could still make a reasonable profit, but if they further increased production, prices would fall further and producers' profits would fall below the average. Thus, in general the peasants did not further expand the scale of production, which resulted in a situation of long-term supply-demand balance, and the price level remained basically stable at about 1.2 yuan. In 1983, the retail sales of aquatic products in Guangzhou city totaled 172 million jin, or an average of 54.6 jin per consumer. This was twice the 1979 figure.

For a long period the prices of many agricultural and sideline products have not reflected their value or their supply-demand situations. As soon as they are freed, supply is unable to meet demand and it is inevitable that in the short term the price will shoot up. Urban people have lived with the system of unified purchase and marketing for over 30 years and they cannot easily adjust quickly to fluctuations in supply and demand. However, because we have done our work quite well, the morale of most urban citizens has been quite stable and we have smoothly entered the first stage of supply-demand movement. However, the improvement of the supply-demand situation could take a little time. If we are to have consumers accept quite high prices for some period to come, we need to continue to do our work well. First, we need to continue publicizing pricing theory in the light of specific problems, publicizing the significance of the pricing reforms, and doing well in ideological work. Actually, the demand for perishable agricultural products is centered on the Labor Day, National Day, New Year, and Spring Festival holidays. Doing well in the supply of holiday commodities plays a great role in maintaining people's morale. Second, apart from continuing to give subsidies to consumers, we can also give certain operational subsidies to state-owned and collective commercial operations, as this will help control the supply of goods. When necessary we can also adopt the method of supplying tickets and coupons. Finally, we must persist in attacking the driving up of prices, cheating, and market domination and the sale of fake and low quality commodities, so as to protect the interests of consumers.

Fully Bringing Into Play the Role of Commerce

In general, the supply-demand relationship reflects the relationship between producers and consumers. However, the two are not exactly the same, because between producers and consumers, there is also the circulation process. In the three stages of changes in supply-demand relationships noted above, there is the precondition of normal circulation. That is to say, the circulation factor is made abstract. In fact, if problems occur in the circulation links, although commodities are produced, they will not be able to reach the consumers and it is possible that an imbalance may occur in the supply-demand relationship.

Seen from our nation's situation at present, if we wish to readjust various production factors (such as land and labor) on the existing technological base and thus increase the volume of products, although it will take time, these changes are quite possible because our nation's rural regions are vast and their population is great. For example, if every household were to raise 3 or 4 chickens, it would only take a few handfuls of rice, but it would result in 400 to 500 million chickens throughout the nation. This potential for increased production can be seen from the supply of watermelons in 1985. The problem lies in the fact that our nation's perishable agricultural product production is decentralized and small scale, while consumers are relatively centralized. There are only 20 large cities throughout the nation with populations of over 1 million. This is only 7 percent of the total number of cities, but these cities centralize over 40 percent of the urban population. If we are to gather the perishable agricultural products, at present produced in a decentralized way, so that they can be supplied in a centralized way, we need to fully exploit the role of commerce and establish a complete market system to overcome the obstacles which obstruct circulation. To repeat what has already been said, even if production cannot for the moment be greatly increased, because of great variations in the resource conditions of the various areas in our nation, economic development is uneven and consumption levels are quite disparate, there is great potential for commercial organizations to adjust the surpluses and shortages between regions as well as those of a seasonal nature. If this work is done well, it can also alleviate, to some degree, contradictions between supply and demand. Thus, we should pay attention to commercial work and try hard to carry out commercial reforms well.

First, we must further improve marketing organizations. Cities must on the one hand provide trading and livelihood convenience to peasants and to small-scale commercial operations, and on the other hand must provide conditions for fairly large-scale commercial circulation. In recent years, various areas have established agricultural and sideline product wholesale markets. These service all kinds of wholesale trading activities, and tightly link the basic markets in the villages with the consumer markets in the urban areas. In addition, they play an intermediary role between the various types of commodity transportation and trade operations and the market retail networks. These are thus of benefit to the centralizing of perishable agricultural products in the urban areas, and also help in carrying out market management. Facts have proven that wholesale links are necessary and that doing well in respect of wholesale markets has extremely great significance in providing a satisfactory supply of nonstaple food products and especially of perishable sideline agricultural products to urban areas. At present many cities have imperfect wholesale markets. In general they are mixed together with the agricultural trade markets, where the areas are cramped and the transport is not convenient. Such situations should be changed as quickly as possible. Some cities have established agricultural and sideline product wholesale markets near major road junctions. This greatly assists producing areas' commercial organizations and peasants' transportation and sales activities, and brings into play quite well the distribution role of these places. Such methods are worth being used as reference. Apart from market trade areas and facilities, there is also a need to strengthen commodity storage, transport, distribution and processing facilities and establish appropriate economic organizations. There is also a need to provide service in terms of storage, remittance and information.

Second, we must improve the operation of state-owned commerce. After perishable agricultural products were freed from controls, some local state-owned commercial operations could not obtain sufficient goods and their market share decreased. Some vegetable and nonstaple foodstuffs retail sales outlets even changed their operations to other commodities. The situation was mainly a result of state-owned commercial enterprises "eating from the same big pot" for a long period, which had given rise to dependence and indolence. Thus the appropriate changes will take time to realize. At the same time, some methods used in the reform are not appropriate, and this is also a contributory factor. On the one hand, we require that all enterprises become commodity operators completely responsible for their own profits and losses, but on the other hand also require state-owned enterprises to take on the responsibility of market stability, and exercise controls over their prices. However, these two aspects are contradictory. As commodity operators solely responsible for profits and losses, very naturally they want to move with supply-demand fluctuations, to sell at high prices when commodities are in short supply, and to sell at low prices when there is a surplus of commodities, to reduce sales and increase stocks when prices are seen to be rising and to reduce purchases and reduce stocks when prices are seen to be falling. However, if they are to play a role in market stabilization, state-owned commercial operations must move against the fluctuations in supply and demand, so as to keep prices down. When prices are seen to be rising, they will have to keep products in store, but when prices are seen to be going down, they will have to increase purchases. If the two opposing tasks are given to enterprises at the same time, they will find it difficult to carry them out. It appears that if we wish to both enliven the market and also maintain control of it, the two tasks have to be carried out by different commercial enterprises. Medium-size and small state-owned retail commercial operations should be further developed in the direction of sole responsibility for profits and losses, and the enterprises can arrange their own sources of supplies (including both purchases in production areas and purchases from wholesale markets), and prices can be set in accordance with the market situation. Commodities purchased from wholesale enterprises must have their prices set in accordance with the stipulated purchase-sales differentials and cost ratios. In this way, it will be possible to encourage retail enterprises to go down to the villages to obtain their goods and to have linked operations with suburban or county peasants, or to conclude long-term purchase contracts with them. This will be helpful in supporting production and enlivening circulation. However, the main responsibility of state-owned wholesale enterprises and large-scale retail enterprises will be the stability of the market. While the state still has no new, more rational method to take on this task, the above-mentioned state-owned commercial enterprises should continue to be the main tools of state regulation of the perishable agricultural products market. For example, in 1979 Guangzhou city established the first Guangzhou city aquatic products trade warehouse and then successively established 24 trade warehouses and opened 8 agricultural and sideline product wholesale trade markets. These have played a positive role in stabilizing the supply of and demand for perishable agricultural products.

Strengthening Planned Guidance and Strongly Developing Production

The basic measure for resolving the supply-demand contradictions is to strongly develop production. The people's demand for perishable agricultural products has a quantitative aspect as well as variety and quality aspects. In recent years, following the continued increases in income, people are now not content to eat "ordinary vegetables." They have also become more selective in terms of meat and fish. These phenomena necessitate appropriate changes in the production structure and raising the level of production technology. However, apart from the economically developed areas of the Zhujiang delta, the Changjiang delta, and the Jiadong peninsula, agriculture in the majority of our nation's regions has not become large-scale commodity production. The small-scale, semi-self-sufficient production which has existed for a long period has resulted in many peasants retaining various characteristics of small-scale producers, and this has brought various difficulties in readjusting the production structure.

1. The peasants live in scattered areas and rural transport and communications facilities are backward. Thus it is very difficult to obtain market information and what is obtained is not accurate. Therefore, peasants quite often distrust what is shown by market information.

2. The peasants have few social relationships, their cultural level is not high, and their access to technological, financial, and market information is rather restricted. Thus, their decisionmaking ability is poor and when market prices fluctuate, they make a simple decision in respect of planting or not planting, raising or not raising. They do not fuss over how to plant or how to raise. In making decisions on production projects or production methods, they either rely on traditional methods or on copying others. They are not willing to blaze new trails and take risks.

3. The peasants' production scale is small, and the quantities produced are also small. Also, often the production is not continuous. Thus, they lack long-term plans for suiting the market or filling a part of the market. They are often short-sighted in respect of their economic activities as, for example, overlooking quality and not concerning themselves with reputation, mixing good quality with poor quality materials in order to deceive and obtain a one-time profit and so on.

For these reasons, the sole use of market price stimulation is insufficient to get the peasants to quickly change the production structure and improve the supply situation. If we are to have the production structure quickly adjust to changing social demand, at the same time as we expand the range of regulation by market mechanism, we must also strengthen state planned guidance in rural production, and give more real assistance to the peasants.

First, we must strengthen planning in respect of the production of perishable agricultural products. Because there are many difficulties in bulk transport of perishable agricultural products over long distances, large and medium-size cities should, in the areas within certain limits around the cities, establish vegetable, melon, fruit, meat, poultry, eggs and milk production bases, so as to guarantee the main part of the perishable products supply. Cities should bring into play their superiorities in terms of funds and technology to promote the development of basic construction. Large cities should also, with the support of relevant departments, use joint operations, joint ventures and such forms to establish stable production and sales relationships with other areas.

Second, we must strengthen technical assistance to the villages. Research into and propagation of agricultural science and technology plays a decisive role in the readjustment of the rural production structure and the raising of the level of rural income. We should establish improved rural science and technology propagation systems, such as animal and fowl epidemic prevention systems, fine strain cultivation systems and so on. In a representative investigation, the ratio of animal and fowl deaths through sickness as a proportion of stock on hand was as follows: sheep, 8 percent; pigs, 10 percent, and fowl, 20 percent. At the lowest estimates, this results in losses of 2 billion yuan a year. Research into, and propagation of agricultural technology have wide social benefits, but they require substantial investment. If we are to solely rely on the peasants to take on this responsibility, there will definitely be difficulties, and thus the state must take on a portion of the costs. The state subsidies in respect of perishable agricultural products, provided by financial departments at various levels were, in the past, provided in the circulation sphere, and are now provided in the consumption sphere. If we are able to provide some subsidies, through financial support or bank credit, to the production sphere, and thus assist research into and propagation of agricultural science and technology, so as to improve the agricultural science and technology propagation systems, the animal and fowl epidemic prevention systems, and the fine strain cultivation and propagation systems, it will have an important influence in stabilizing supply-demand relationships.

Third, we must develop the specialized production of perishable agricultural products. Specialized households which engage in the production of perishable agricultural products produce large quantities of products and their commodity rate is high. At the same time, they are highly dependent on the market and hope for stable sales avenues. If state commercial operations establish production and sales relationships with these specialized households and greatly support their development, it will be of benefit in obtaining stable and sufficient sources of goods. With the abolition of unified purchases and sales, the hazards of many specialized animal-raising or planting households increased greatly and support in terms of credit and feed was reduced. This affected the stability of the specialized households and the development of production. The appropriate centralization of the production of perishable agricultural products helps to resolve such problems as the propagation of technology, the prevention of epidemics, the supply of feed and fertilizer and the sale of products. Thus, apart from the development of specialized households, we should also actively develop specialized villages and specialized townships.

As production grows more specialized, reliance in many respects becomes greater. Thus, there is a need, in accordance with the internal relationships of economic development, to establish specialized coordination and cooperative sales organizations. This will assist the propagation of technology, the unifying of quality standards, the arranging of channels of circulation and the organic combination of the scattered operations of peasants and socialized large-scale production. This is also an avenue by which the state can exercise planned guidance over agricultural production. At present, many market prices are quite high, the supply of many perishable products does not meet demand, and the relevant parties have not provided the necessary support to the peasants in developing cooperative sales. Thus, the peasants do not feel that the establishment of cooperative sales organizations is a particularly pressing matter. In addition, state-owned commerce has not fully brought its role into play, with the result that in the markets in some areas, one-third or even one-half of the income from vegetable prices is taken by the small pedlars. In the production of milk and eggs by peasants, they also encounter many difficulties in obtaining feed and in selling products. Developing cooperative sales will be of advantage in resolving these problems. We should sum up our present experiences, do well in setting examples, formulate relevant regulations in experimental bases and then gradually propagate them.

Fourth, the means of state interference and the degree of control exercised should be different for different products. Different products have their own characteristics in terms of their supply and demand movements. Some perishable products have greater demand elasticity than supply elasticity. That is to say, when prices change, the choice of the people to eat or not to eat, to eat a lot or to eat a little, is greater than the peasants' choice of whether to plant or not to plant, to rear or not to rear. An example of this is fish. The consumption of fish by people in many of our nation's cities is quite small, and they can go without it. In raising fish, peasants must continue to produce as long as they put in investment. Apart from weather factors, the supply and demand fluctuations for this type of product are fairly regular and prices tend to be stable. Basically, no controls need to be instituted for this type of product. For some other products, the demand elasticity is less than the supply elasticity. An example of this is vegetables. Urban dwellers need vegetables every day, while the production avenues of the peasants in the suburbs of large and medium-size cities are quite numerous. Thus, they have a lot of choice in whether they plant or do not plant, plant a lot or plant a little. The supply-demand fluctuations for this type of product are rather unpredictable and thus the prices tend to be unstable. There should be controls instituted for this type of product, by which mandatory targets are handed down concerning areas to be planted and amounts to be sold. If these targets are not met, economic sanctions should be imposed. If this is not done, the supply of vegetables to the cities will not be guaranteed nor will the stability of prices. Some other products have approximately equal demand and supply elasticity, and it is easy to form a cycle of supply and demand fluctuations. An example of such a product is pork. In respect of products such as this, we can implement controls in various production links. If the state can widely establish pig-breeding centers, through the supply of piglets, it will be possible to both improve pig breeds and regulate the piglet market, thereby stabilizing the price of pork.

In addition, we should also establish a system of agricultural product reserves and set up price stability funds to deal with situations when market prices fluctuate beyond a certain range.

The stability of the supply of perishable agricultural products and the prevention of dramatic price fluctuations finally also depends on the overall control of the national economy. If the relationships between the various areas of the national economy are suitable, state construction funds are abundant, there is a fairly great input of technology and funds into the production of perishable agricultural products, and consumption funds are effectively controlled, then it will be fairly easy to achieve a balance in the supply of and demand for perishable agricultural products and stability in their prices.

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A BRIEF DISCUSSION ON THE COMPLEXITY OF TYPICAL CASES IN ART

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[Text] Creating typical images of high aesthetic value is an important mission of literature and art creation. Since the founding of our country, many discussions have revolved around the essence and characteristics of artistic models, the relationship between typical characters and typical environments, the creation of typical characters, the ways and methods of creating models, and other issues, and some achievements have been made. Although the complexity of typical cases in art has often been touched upon, it was never fully studied and discussed due to the interference and restraint of "leftism." Since the 3d Plenary Session of the 11th CPC Central Committee, the party's lines, principles, and policies of emancipating the mind and seeking truth from facts have greatly called forth the enthusiasm of the vast numbers of literature and art workers, and literature and art creation has begun to flourish. In character creation, a number of varied, colorful, emotional, and complex typical characters, such as Chen Huansheng, Liu Sijia, Lu Wenting, Gao Jialin, Jin Kailai, and so on, have been presented to the people. Edified and influenced by these entirely new complex models, people's aesthetic tastes and concepts have begun to gradually undergo profound and important changes. No longer content with gaudy, monotonous, and stereotypical character descriptions, they demand to be directly led into the inner world of characters to experience the emotionality and complexity of their innermost beings. Such a new change in literature and art creation and appreciation requires the theoretical circles to give serious consideration and a correct guideline to the issue of complexity of typical cases in art.

What Is the Complexity of Typical Cases in Art?

In appreciating literature and art works, it is not difficult for people to identify a relatively complex typical image. However, as for where exactly the complexity of typical cases lies in art, it is necessary to make a deep-going analysis and study of many outstanding artistic models to get the answer.

I think that the complexity of models is primarily reflected in the composition of typical temperament. The temperament of a complex model is often of a multidirectional, multiphase, and multilevel complex structure. The so-called "multidirectional" style is used as opposed to "unidirectional." Writing about a rough character, some writers tend to concentrate on just describing his roughness, thereby becoming "unidirectional." However, in "Romance of the Three Kingdoms," the rough temperament of Zhang Fei is described as crude in most matters but subtle in some, and usually careless but quite sharp at times. This is at least "bidirectional." He is also described as being bold, uninhibited, chivalrous, loyal, righteous, and valiant. This is "multidirectional." Another example is in "Jinpingmei Cihua," in the depiction of a "shrew" by Lanling Xiaoxiaosheng, Pang Jinglian is not only unreasonable, but also lascivious, jealous, venomous, ruthless, obsequious, crafty, and insidious. Therefore, the composition of her temperament is also "multidirectional." Commenting on the temperament composition of Wu Song, Jin Shengtan stated it very well: "Wu Song is really a great hero, because he is as broadminded as Lu Da, as cruel as Lin Chong, as upright as Yang Zhi, as kind-hearted as Chai Jin, as straightforward as Ruan Qi, as naive as Li Kui, as quick-witted as Wu Yong, as elegant as Hua Rong, as generous as Lu Junyi, and as smart as Shi Xiu. Isn't it appropriate to say with certainty that he is the No 1 hero on earth?" (Overview of the 25th chapter of "The Water Margin") Therefore, the complexity of Wu Song's temperament was affirmed by him from a "multidirectional viewpoint." The so-called "multiphase" aspect refers to the varied temperament aspects the typical characters demonstrated while handling various people and things under specific and complicated social environments. Hegel attached utmost importance to creating typical characters with a "many-sided personality." He spoke highly of the image of Achilles created by Homer, as "the many-sided personality of a noble character is brought into full play in him." He fully affirmed the "colorful inner world" of the characters created by Shakespeare. For example, "under the most volatile of circumstances," Romeo demonstrates his "dignity, nobility, and profound sentiment," and "Juliet also manifests her personality as a whole in many relationships." (Hegel: "Aesthetics," Vol 1, pp 303, 305) The "multiphase nature" of typical characters mainly expresses the adaptability of the characters, which can spark colorful flames of personality only in interaction and collision among characters and environments. The so-called "multilevel" aspect refers to the characteristics of every level of the typical character, from his appearance to his inner world. The forms of expression of a complex character often vary and differ at each level. For instance, the outward image of Chen Bailu is a dissolute high-class dance hostess who lies in luxury and seeks ease and comfort by engaging in prostitution. However, in sheltering and saving "Little Girl," her humanitarian feelings and her real character of suffering untold humiliation and sympathizing with fellow sufferers is expressed. While telling Fang Dasheng about her first love, her pure, and passionate, inner world, full of fantasy and pursuit, is instantly uncovered. Therefore, in character composition, the complexity of typical cases is often blended and integrated into a multidirectional, multiphase, and multilevel being. We can just call it "multiple composition" of personality.

The complexity of typical cases is also reflected in the severe unrest and great variation in a personality. Generally it is rare for the personality of a character which can be called an artistic model to be at a standstill.

Outstanding artists always let their leading characters demonstrate the changes in their thinking and personality by associating with various people around them, while delineating their characters' varied and complex inner world in the process of personality development and changes. The development of the fate of the characters in Shakespeare's tragedies is "often decided by the changes in their inner world; that is, letting the personality development of characters run wild and lose control, to the point of becoming hurt and exhausted." For instance, the plot development in Macbeth "seems to be a deteriorating process in which Macbeth's soul gradually turns brutal." (Hegel: "Aesthetics," Vol 2, pp 346, 347) At the beginning of the play, Macbeth is a valiant commander triumphantly returning home. However, later on, wild ambition eats at his soul little by little, causing him to initiate his conspiracy of usurping the throne and killing the king. Thereafter, amid the repeated painful mental struggles between flaunting his power and influence and being censured by his conscience, he goes into the abyss of total destruction. Thus, all the complexity of his personality is fully revealed in the great mental changes. The reason the complexity of typical characters can be revealed in personality changes is mainly because under given conditions, various aspects hidden in a typical personality will sprout, grow, mature, and surface. Therefore, the complex "multidirectional, multiphase, and multilevel" personality structure is built up in a dynamic state. If the author of "A Dream of Red Mansion" had only described Sister Feng as enthusiastic, glib, slick, and shrewd at the beginning of the novel when Daiyu first arrives at the mansion of the Jia family, but had failed to mention in the plot development "Sting Feng" who "manipulates power in the iron-threshold nunnery" and craftily devises the scheme of substituting Baochai for Daiyu as the bride of Baoyu in an effort to break up "the prearranged marriage between Baoyu and Daiyu," could the inherent complexity of the image of Wang Xifeng have been revealed? The answer is self-evident.

The complexity of typical cases is not only demonstrated in the static structure and dynamic development of personality, but also embodied in deeper connotative implications. All the successful artistic models in both Chinese and foreign literature invariably express the principle of integrating individuality and generality, finiteness and infiniteness, and often carry profound implications in extremely distinctive individual images. Therefore, they always give people a feeling of unlimited meaning and thus become a kind of "meaningful pattern." (This is borrowed from the definitions of Clive Bell, a British formalist aesthete. See the Chinese version of "Art," p 4) There is an article entitled "No End for Shakespeare" by Goethe, which also implies that the connotations of the characters created by Shakespeare are so profound that no one can finish commenting on them. In fact, not only the characters in Shakespeare's works, but also the connotations of all the immortal models created by great artists are extremely rich and complex and have many implications. Why is this? First, a true artistic model image should inevitably possess distinctive individuality and the characteristics of the times, society, and nation. Just as Hegel said, they have "something." Therefore, the thinking, reasoning, and implications embodied by the image should also inevitably possess some certainty and definitiveness. Nevertheless, this kind of certainty is relative. As the imagination, artistic thought, and rationality applied by artists while creating models are all directly imbued in the system of images, the implications behind the images thus acquire some uncertainty. Therefore, the inherent implication of model is often a unity of certainty and uncertainty. Second, the artistic languages and symbolic systems (in literature, drama, film, dance, and so on) all depend on a specific perceptual form to depict the personality of characters. These perceptual artistic languages and symbolic systems are entirely different from the logical structure of philosophical and scientific languages and symbolic systems and are often "polysemous" and "indefinite." When both certain and uncertain rational elements are integrated with an indefinite perceptual form in a model image with a complex and changeable structure, the possibility could arise for the model image to demonstrate its inherent implications in different directions and at different angles and levels. This is what is often described as "image is bigger than thought." In fact, conversely, we can also say that "thought is bigger than image." In his first novel, "A Madman's Diary," written during the 4 May Movement of 1919, Lu Xun created a psychological model suffering from schizophrenia. What this "madman" sees, hears, feels, and thinks are all based on specific people and things, like Mr Zho Gui, tenants from Wolf Cub Village, elder brother, Mr Gu Jiu, old account sheets, the fierce dog, and so on. However, by depicting these specific things and people, Lu Xun painted a perceptual picture of "the man-eating world" in the terrified and hostile eyes and mind of the madman with only 2,000 words, thus expressing the grave, indignant, extensive, and vehement theme of antifeudalism. The connotation of this image is so rich and complex that no one can really "finish commenting on it."

It can be seen that the complexity of typical cases is not a unified alignment of the key elements of the two extremes of personality nor the "dual composition" embodying profound implications. Were this not so, theoretical study would tend to be oversimplified.

Causes of the Complexity of Typical Cases in Art

Fundamentally speaking, the complexity of typical cases in art is decided by the complexity of social life. Living in a society is like living in a giant and complex network of relations interwoven by material economic relations and spiritual cultural relations. Each aspect and level of people's personalities is formed in this network and will in turn make this network of relations more sophisticated and complex. Therefore, in reality there is no pure and simple personality. People's personalities are not only different and varied but also different in sophistication and complexity to varying degrees. As artistic models are extracted and from various personalities in social life, they must also be sophisticated and complex.

The complexity of a typical case in art is not just an issue of the image. Because a model is the fruit of the creative activities of artists and the object of the appreciation of readers or an audience, its complexity is formed and realized in the dynamic process of artist-work-appreciators. Therefore, in studying the cause of the complexity of typical cases, it is imperative to grasp these three links and master them in regard to their dynamic contacts.

Undoubtedly the complexity of models is decided primarily by the creative activities of artists. Every successful artistic model is created and cultivated by the artist with all his soul and efforts. As a result, it is unavoidable that it should carry the brand of the complex mentality of the artist himself. This is the "projective role" of the artist himself. This projective role can be direct or indirect. Artists always project all their love, hatred, ideals, and feeling, including their own problems and doubts, onto the ideal and positive people in their minds and, to a certain extent, make them become the embodiment of the artists themselves. For example, Shakespeare directly projected his belief in and pursuit of humanism and his complex apprehensions, doubts, and agony because of the failure and disillusionment of his humanist ideal in reality, onto his model, Hamlet. Therefore, the complexity of Shakespeare's thoughts and feelings was transferred to the personality of Hamlet. This is the direct projective role. Regarding various nonideal people in an artist's mind, on the basis of carrying out thorough and painstaking observations and studies and acquiring experience, an artist often dissolves his various subjective attitudes such as sympathy, pity, disdain, indignation, irony, satire, criticism, and so on, in his aesthetic feelings, criticism, and projects, and pours them into his characters, making them have complex personalities different from that of the artist. This is the indirect projective role. The cause of such an extremely complex model as Ah Q was manifold. Lu Xun projected his subjective attitude of "being sorry about his misfortune and angry with his disappointing behavior" onto Ah Q and thus set up the main key to the complexity of Ah Q's personality. Therefore, the complexity of a model will become incomprehensible without the thoughts, feelings, ideals, and individuality of the artist and the projective role in his creative process.

Of course, once an artistic model is established, it can be relatively independent. After the works created by an artist come out, the imagery of the works will become an independent world existing in the light of its presumptive logic. In this world, a model is restricted by many other essential factors in the artistic works. First is the theme. Because an artist refines a theme on the basis of observing and experiencing life and develops the theme during his planning and creative process, this decides the direction in which the complexity of a model is to be demonstrated. In depicting Ah Q, Lu Xun wanted to illustrate the soul of the countrymen and "to expose the disease and draw attention to it so that it might be cured." (Lu Xun: "Mixed Dialects: How I Came To Write Stories") This intention determined that the complexity of Ah Q's image would be unfolded along the direction of winning a psychological victory. Therefore, no matter whether he is beaten and humiliated by Mr Zhao as being unworthy of the name Zhao or whether he shouts loudly "Rebellion! Rebellion!" and stalks proudly with his head held high before Mr Zhao and others, and whether he is dazedly and also overconscientiously drawing a circle on the court verdict of death or is suddenly awaking from daydreaming before being beheaded, the novel always concentrates on illustrating "the soul of the countrymen." If the theme of resistance was intended, perhaps the image of Ah Q as a whole as well as its complexity would have been entirely different. Second is the environment. Engels pointed out that environment "surrounds these people and spurs them to act." ("Selected Works of Marx and Engels," Vol 4, p 462) The complexity of typical figures is unavoidably restricted by the specific natural and social environment provided in works. Divorced from the specific environment, the complexity of models would become incomprehensible, forced, and unnatural. Finally is interpersonal relationships. Typical figures always demonstrate themselves in dealing with others. The content of a typical character and his complexity are all products of his interrelations and interaction with others. In fact, a model cannot act as he (or she) pleases, but must act in light of all the factors presented by the relationships among various figures in the work. For instance, the reason why Anna Karenina commits suicide and uses the method of lying on railroad tracks to kill herself is that this is the only solution she can choose under the sway of Kalinin and Vronsky and the various forces of social relations. This is an ending which neither Anna herself nor the author, Tolstoy, could fully anticipate. Therefore, the cause of the complexity of a typical case is not only formed by the projective role of an artist, but also by the restriction of every component of the work.

The complexity of typical cases in art is also reflected in its need to be appreciated by readers or audience, receive their recognition, and be understood by them. Attention should be paid to the "receptive aesthetics," something which is influential nowadays in the West. It mainly studies the relationship between the significance of artistic works and the recreation of receivers (appreciators). Advocates of "receptive aesthetics" hold that the significance of artistic works is not purely objective, but is closely related to the recreation (imagination) of every specific receiver in artistic appreciation (referring to readers or audiences of different times, nations, social status, cultural accomplishments, aesthetic tastes, personalities, and temperaments). This viewpoint has been proved by much practice in artistic appreciation and can be entirely used to explain the complexity of typical cases. As mentioned above, the implication of the typical cases in art itself is both simple and sophisticated and definite and indefinite, providing people with a chance to appreciate and comprehend them from different directions and angles and at different levels. Because the subjective conditions of appreciators are, in fact, not all identical, a typical image cannot possibly have the same aesthetic effect for different appreciators. Similarly, the appreciators' discovery and understanding of the implications of typical images cannot possibly be stereotyped. The story of Ah Q has been in existence for more than 60 years, and articles analyzing the image of Ah Q are now innumerable. However, even now people can still discover intricacies of the personality of Ah Q which no one has found before. This shows that the complexity of Ah Q is decided not only by the image itself, but also by the understanding and discovery of appreciators.

Therefore, we can learn that the complexity of typical cases is a product of the joint role of the three key links of artist, the work, and appreciators, and is a dynamic process of the transmission of artistic information and feedback.

The Complexity and Aesthetic Value of Typical Cases in Art

Compared with ordinary artistic images, the vitality of typical cases is much greater and its aesthetic value is much higher. Is there any connection between the value of the typical cases in art and its complexity? I think there is. One of the implications of the so-called typical cases in art is that a definite and individual perceptual image contains and shows rich and general rational knowledge. As far as this point is concerned, there is a natural connection between the complexity and aesthetic value of typical cases. Moreover, we can say that no matter how simple they look, any characters which can be called typical cases in art are, in fact, always complex to varying degrees. If a character becomes simple and leaves no residual at all in terms of both external image and internal connotation, it is absolutely not qualified to join the ranks of typical cases.

However, this does not mean that typicality is equal to complexity, nor that the aesthetic value of a typical case is decided by its complexity. If this is so, the absurd conclusion that the more complex an image, the higher its aesthetic value could certainly be reached. In fact, in literature there have been two kinds of successful typical cases: First, those characters which are more complex, such as Hamlet, Nekhlyudov, Anna Karenina, some images of "dual personality" created by Dostoevsky, Gregory, Song Jiang, Baochai, Fanyi, and so on; and second, those which are comparatively simple, like Don Quixote, Julien, Father Grandet, Li Kui, Zhuge Liang, and so on. However, their aesthetic value is all very high and can be passed from generation to generation. It would be funny if we were to regard complexity as the only criterion to judge their aesthetic value. In fact, though different in complexity, these two kinds of successful typical cases are all a unity of simplicity and complexity and "many" and "one." The only difference is that the former has simplicity in complexity while the latter has complexity in simplicity.

I think that the complexity itself of the personality of characters does not possess aesthetic value and is only of "neutral" quality. Only when complexity is joined by other measures for judging aesthetic value can it attain aesthetic meaning. In light of real aesthetic standards, these measures for judging aesthetic values are mainly truthfulness, liveliness, and extensiveness.

Truthfulness refers to the truthfulness of art. When the total complexity and the degree of complexity of an image can aptly demonstrate the complete picture of the character and attain the realm of artistic truthfulness, it constitutes one of the factors contributing to aesthetic value. Commenting on the value of "Dream of the Red Chamber," Lu Xun pointed out: "It dares to give realistic and truthful description which is quite different from previous novels in which good guys are always good and bad guys are always bad. Therefore, characters in the novel were all real." ("Changes in the History of Chinese Novels") He also said: "Because of its truthfulness, the novel breaks away from outmoded styles and relates both the beautiful and ugly sides of human nature." ("A Brief Outline of the History of Novels: The Humanistic Novels of the Qing Dynasty") In fact, here he criticized the malpractices of simplicity and monotonousness in depicting characters in traditional novels and raised the issue of complexity of typical cases. Of course, Lu Xun only mentioned one form of complexity (i.e., "to relate both the beautiful and ugly sides of human nature"). However, the complexity emphasized by Lu Xun was aimed at and limited to "truthfulness." He did not purely advocate "complexity." In fact, Lu Xun and all the truly realistic artists always put loyalty to life in the first place and strictly abide by the self-development logic of life in creating images. As a result, the characters they create are not only sophisticated and complex but also real and rational. In relation to the tendency in contemporary creation for some people to increase the degree of complexity with a view to embracing "complexity," and the trend toward some new modes of "complex personality" (like reformer plus romance and love, lack of discipline, cynicism, and complaints plus heroic deeds at critical moments, and so on), I think that it is highly necessary to stress that the degree of complexity of typical cases should be based on truthfulness. If "complexity" is aimed at being appropriate, it will be conducive to raising the truthfulness of typical cases and the aesthetic value of typical cases.

Liveliness refers to the distinctiveness and vividness of images. Distinctiveness, namely individuality, is prerequisite to the vividness of images. Generalized, formularized, and plagarized images are totally lifeless. One of the important signs of the establishment of a typical case is vitality and uniqueness. This is also related to the complexity of characters. This means that "multidirectional," "multiphase," and "multilevel" personality should not be mechanically assembled but organically composed to form a new life as if of real flesh and blood. People living in reality all have living personalities. As the wisest of all creatures, man possesses a high degree of mental capability and the capabilities of adapting himself to and changing the objective world. He is a free, independent, subjective, and lively organic whole. Therefore, the typical cases in art should also be molded into such a living entity. Only when all the complexities of the character described are dissolved into a living organic entity can the complex personality become "lively" and qualified to be a typical case. In this sense, it is useless to artificially select the best way of organizing every complex level of a character. The complexity of a typical case in art cannot be attained only by employing mechanical alignment and composition or simply putting together complex factors in a character. The key lies in the imagination and cultivation of the artist. If an artist breathes with and shares the same fate as the characters he creates in the imaginary world, he has begun to breathe life into the body of the characters, and the prospective characters have begun to acquire life. In describing Madame Bovary committing suicide, Flaubert seemed to have tasted the arsenic in his own mouth. When writing "Li Zicheng," Yao Xueyin often cried, laughed, and felt pleased and angry as one with the peasant heroes he deeply and sincerely loved. As a result, although some of the characters he created are complex and some are simple, most of them are very "lively" and few bear the vestige of artificiality. After having seen the portrait of Ah Q carved by Liu Xian, Lu Xun immediately wrote back: "In my mind, the portrait of Ah Q should carry less an air of hooliganism, because in my hometown people with such a fierce look do not have to work for others but live an idle life." ("To Liu Xian" in "Correspondence of Lu Xun," Vol 2, p 1061) Thus we can see that the image of Ah Q had long been living distinctly in Lu Xun's mind and if there was any "mistake," he could immediately sense it. Therefore, only when complexity totally becomes a lively character can it be related to the aesthetic value of typical cases. Divorced from an organic entity, complexity will become totally worthless.

Extensiveness refers to the degree of the implication of social history epitomized by model images. Being truthful and lively alone, a character still cannot necessarily become a typical case. It should make an extensive generalization of history. All the immortal typical cases in the history of literature belong to a given time and country and possess long-standing artistic vitality. This is the highest aesthetic value of the typical cases in art. Of course, the extensiveness of typical cases is related to the complexity of characters. It is difficult to imagine that an excessively simple or weak image can undertake this enormous task of extensively generalizing history. Nevertheless, extensiveness is not in direct proportion to complexity. Only when all the key factors and links reflecting the complexity of characters possess a high degree of universality and a profound historical implication can they possibly enhance the character images to become typical cases in art. Those brilliant models created by Tolstoy are perfect combinations of complexity and extensiveness. The world of art is formed by these images, which are "a mirror of the Russian revolution" as Lenin once said. Similarly, because of the artistic description of the declining fates of the four noble families of Jia, Shi, Wang and Xue, "Dream of the Red Chamber" has the great significance of chanting a dirge for the Chinese feudal society as a whole.

The complexity of typical cases is a subject of important theoretical and realistic significance and it is worth making an in-depth study in light of the reality of artistic creation. This article only serves as a starting point. If there is anything inappropriate in the article, comrades are welcome to offer criticism and corrections.

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WHAT HAVE WE DONE IN BUILDING 'TWO-CIVILIZATION HOUSEHOLDS'?

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 35-38

[Article by Ji Hengwen [0370 5899 2429]]

[Text] By "two-civilization households," we mean a new type of peasant household with the two basic characteristics of advanced production and lofty spiritual outlook. In Hebei Province's Hengshui Prefecture, "two-civilization households" have basically been developed on the basis of the transformation from, and development of, three sections of rural households. The first section is the specialized households and the households doing specialized jobs; the second is the households of 5-good families; and the third is the households of party member cadres. These households know technology and management, are good hands at production, and have become rich through hard labor. After they became rich, they took the initiative in helping their neighbors to become rich. They love the country and collectives, and display very high socialist awareness. Over the past few years, all the areas in the prefecture have promoted the development of their agricultural production and commodity economy through grasping the work of building "two-civilization households." In 1985, the prefecture's gross industrial and agricultural output value reached 2.99 billion yuan, more than double the 1.35 billion yuan in 1980. The total income of its township and town enterprises reached 1.15 billion yuan, more than double that in 1980. In 1985, the per capita peasant income for the prefecture was 359 yuan, an increase of over 400 percent over that in 1978 before the 3d Plenary Session of the 11th CPC Central Committee. At the same time, there has also been an improvement in the general mood of the society and people's mental attitude. This tells us that building "two-civilization households" is a good method, suited to the new situation, that has emerged since rural reform enabling us to grasp the construction of the two civilizations simultaneously.

The process from the beginning of the emergence of "two-civilization households" to the popularization and continuous improvement of these households was also a process in which the thoughts and understanding of the cadres at various levels in Hengshui Prefecture continued to deepen and their work methods continued to improve.

1. It was by proceeding from the reality in Hengshui that we found this good form of the "two-civilization household." Marxist epistemology requires

that in thinking over problems and doing things, people must proceed from reality and understand the general character of things through understanding their specific characters. In the process of discovering and understanding the "two-civilization households," we followed this basic principle on understanding things. In the winter of 1983, the prefectural CPC committee and the administrative office organized over 1,000 cadres to go deep into the reality, make investigation and study, analyze various kinds of typical examples, and strive to sum up through the analysis good forms and good experience of general guiding significance for simultaneously grasping the the construction of the two civilizations. We made concrete analysis in the following three spheres.

First, we analyzed the situation in our prefecture to understand the functions of families in the new period. Our Hengshui Prefecture is an agricultural prefecture, in which rural population accounts for over 90 percent of its total population. Since the 3d Plenary Session of the 11th CPC Central Committee, the contract responsibility system geared to households with remuneration linked with output has been implemented in 99 percent of our prefecture's rural areas. Our peasants have switched from the previous highly centralized management method to the management method of each family or household separately undertaking their responsibility by contracts. This situation determines that in the process of building our socialist material and spiritual civilizations, we must pay full attention to the new forms and characteristics of the production under the system of contract responsibility system geared to households, renew our understanding of the economic, production, and social functions of our families, and thus change the old methods for grasping rural work which we carried over from the past and which were based on the subordinate relationships of "three levels of ownership with the production team as the basic level." Under the current rural situation, we should not neglect the position and role of families. A family is not just a level of operation for our collective economy, but also the most basic social unit in the process of building the two civilizations. Closely grasping the construction of two civilizations in each and every one of our families is the basis for grasping rural socialist construction.

Second, we analyzed the "two-civilization households," and thus had an understanding of the peasants of the new period. The "two-civilization households" in Hengshui Prefecture began to emerge as far back as when the all-round responsibility system was implemented. For example, in 1982, Zhang Lianxiang, the prefecture's first "double 10,000 household" in Fucheng County who both earned over 10,000 yuan of income and produced over 10,000 jin of food grain, took the lead to help more than 10 neighbors to lift themselves out of poverty and become rich after he became rich himself. He was called a "spiritual rich man." Gao Jianmin, a household specialized in processing rice and producing noodles, did not forget his neighbors when he became rich. He often said: "A family cannot be regarded as being rich if it is rich alone." He set up a family television room and a library and published a small newspaper on science and technology to enthusiastically spread scientific and technological knowledge and exchange information among the peasants. He also publicized the party's policy on making the people rich and spread new culture through writing antithetical couplets. Wang

Qingkun, a veteran party member at Teng village, Zhaoqiang County, built a new school with 30 classrooms to facilitate the study of the children of the masses of people after he became rich through undertaking all-round responsibility for the village's enterprise. An understanding of these "two-civilization households" enabled us to realize that "two-civilization households" are not only advanced representatives of those who had become rich through hard labor in our rural areas, but were also the people who were practicing and spreading the communist ideology in our rural areas. They embody both civilizations, have more perfect virtues than our specialized households and 5-good families, and reflect the brand-new mental outlook of the peasants of the new period.

Third, we analyzed the erosion of capitalist and feudal ideology in the process of the transformation in our rural areas from a self-sufficient and semi-self-sufficient economy to a commodity economy and thus realized the importance of educating peasants in communist ideology and building "two-civilization households." Through the investigation, we discovered that a small number of specialized and other households deviated from decent ways of production and operation and even forgot the principles after they became rich. A small number of them even violated discipline and law. Our peasants said that they were immersed in their money. Some other peasant households failed to break away from the fetters of the thoughts of small-scale peasant economy and dared not or did now know how to develop commodity economy. From the reverse side, these problems show the necessity of educating peasants in socialist and communist ideology and enabling them to become socialist builders with ideals, morality, education, and a sense of discipline. This has given even greater prominence to the significance and urgency in building "two-civilization households."

The above was the process of our discovery and understanding of "two-civilization households." It was also a process to transform and improve the ideological style and work methods of our leading groups. It showed that if we had not proceeded from the reality in our area, and if we had merely acted mechanically in accordance with the documents from the upper levels or copied the experience of other areas, it would have been impossible for us to find the good form of the building of "two-civilization households" that was suited to local conditions.

2. We have adroitly suited our measures to the situation and improved and popularized the form created by the masses of people.

The activities of building "two-civilization households" in Hengshui Prefecture were invented by the masses of people on the basis of the household contract responsibility system with remuneration linked to output. This invention was apparently spontaneous and simple initially. It was like a semifinished product that needed processing. We held that combining the CPC Central Committee's principles and policies with the creative activities of the vast number of masses of people at the basic level and promptly improving and popularizing the fresh experience gained by them are bounden duties for us, the leaders. Therefore, we paid attention to adroitly giving guidance in light of the situation and perfecting what the masses of people have created. We should mainly do two aspects of work: 1) We should formulate the standards for different levels of the development of "two-civilization households." The governments at village, township (town), county (city), and prefectural levels should all clearly set their targets related to "two-civilization households" in the light of the different levels of the development of the productive forces and their different administrative levels, formulate detailed standards of assessment and thus enable the peasants to readily have examples to learn from and to have loftier targets of struggle. At the same time, in the light of the characteristics of rich specialized households and "5-good families," they formulated the standards for transforming them into "two-civilization households" including "emancipation of minds, becoming rich through labor, observance of law and discipline, transformation of traditions, unity with neighbors, family harmony, enthusiasm for science, and greater contributions." By so doing, they guided the vast number of peasant households in becoming "two-civilization households." 2) We have used communist ideology to educate our peasants and heighten the simple and traditional virtues among our peasants to the plane of scientific theory. Rural party organizations at various levels have always paid attention to finding the traditional virtues among the peasants such as thrift, diligence, simplicity, kindness, and willingness to help other people, transform and improve them with communist ideological theory, turn them into the spiritual food for our peasants to urge them to become rich through hard labor and to conduct production and operation in a decent way, and at the same time help bring a turn for the better to the general mood of the society.

In popularizing the experience of our "two-civilization households," we have done four aspects of work. 1) We made a small number of examples take along all the households around them and set typical examples on a large scale. The prefectural CPC committee specially organized a number of cadres who both had practical experience and were able to write, to write a book entitled "100 Examples of Specialized Households Becoming Rich Through Hard Labor." These cadres also wrote 35 reports to publicize "two-civilization households." The prefectural federation of writers and artists has published a book entitled "Biographies of 100 Peasants." The party committees and governments at prefectural, county, and township levels have set up a total of 1,423 typical examples of "two-civilization households" in the past 2 years. Through mobile lecture groups, newspapers, magazines, radio broadcasting stations, and video tape recordings and other methods, they publicized the advanced deeds and briefed people on the doubly civilized images of these households. The governments at various levels have granted inscriptions and flowers to the "two-civilization households" who have made outstanding contributions in order to rouse peasants' sense of honor and pioneering spirit. 2) We have gone deep at the basic level and grasped the work right in the households. Each cadre who is a party member has been assigned all-round responsibility for actually helping some households. For example, in Hengshui city, the city CPC committee secretary and city mayor personally set an example and organized 100 party and government cadres to respectively be responsible for helping 100 specialized households and 5-good families. They taught the households in the light of their actual conditions, and thus established 100 "two-civilization households" in 1 year. Through establishing links between party members and households, Shenxian County made the families of its party members take the lead in building "two-civilization households." Now over 3,000 "two-civilization households" have already been established throughout the county. 3) We have set up guidance and service organizations to earnestly solve actual problems. In the sphere of technology, we have opened up diverse channels to popularize science and technology (our townships have established peasants' technical schools and our villages have set up peasants' science popularization associations). In regard to information, service is promptly provided (the various cities and counties have all established information service centers). In regard to law, the legitimate rights and interests of the "two-civilization households" have been protected (the legal advisory office and notary in Gucheng County alone have helped "two-civilization households" sign over 100 contracts). The various departments of the party committees and governments and the mass organizations such as youths', women's and militia organizations, all vigorously cooperate with one another to jointly build "two-civilization households." 4) Political concern has been shown for "two-civilization households" and attention has been paid to recruiting party members and promoting cadres from these households. In 1984, 316 party members were recruited from among "two-civilization households," and 2,667 cadres at village, township, and county levels were selected from among them. Through the above aspects of work, throughout the prefecture, over 90,000 "two-civilization households" of various types have already been established now, accounting for 11 percent of the total number of rural households.

3. We have continued to improve our "two-civilization households" and pushed the construction of these households up to a new stage.

The construction of socialist material and spiritual civilizations itself is a gradual and orderly process of development from low to high levels. There is also a trend of rural "two-civilization household" activities developing from low to high levels and from uniformed to diversified forms. This trend is closely linked with the general trend of the development from poverty and backwardness to common wealth and civilization throughout our rural areas. On the basis of this understanding, in guiding the activities related to "two-civilization households," we improve them while popularizing them and increasingly deeply spread them in all spheres of our rural socialist construction.

Paying attention to summing up the experience in turning ordinary peasant households into "two-civilization households" and perfecting these households themselves is the key link in continuing to heighten the level of the construction of "two-civilization households." Our "two-civilization households" represent the peasants' orientation of development in lifting themselves out of poverty and becoming rich and civilized. They are suited to the level of the development of our productive force and the relations of production at the present stage. This is the fundamental reason for their existence and development. However, it is impossible to enable each and every peasant household to reach the standards for "two-civilization households" at one stroke in 6 or 12 months. It is necessary for the party committees and governments at all levels to go deep in our rural areas to do a lot of arduous and careful work in propaganda, education and organization. As we continue to sum up our experience, we have promptly discovered problems. Over the past 6 months, our prefecture has focused on supporting and helping the poor villages and households that account for about 10 percent of the villages and households in our prefecture. The prefecture and its 11 cities and counties have selected over 1,000 competent cadres, organized them into work teams to help the poor and sent them to the first line to give actual guidance and aid. At the same time, it does not slacken its efforts to develop the "two-civilization households" it has already designated and enable them to continue to heighten the degree of their two civilizations.

Economically guiding the peasants of "two-civilization households" in switching their family operation into combined operation is an important task in upgrading our "two-civilization households." Over the past 2 years, as we continued to carry out the education in current economic policies and communist ideals, a large number of people in our "two-civilization households" have become the principal force in uniting hundreds of thousands of households in following the path of becoming rich together. Some of them took the lead in passing on technology and thus helped their neighbors find a way to become rich; others took the lead in establishing township and town enterprises and economic combines and thus became founders and organizers of the new type of cooperative economy. At present, throughout our prefecture, there are over 20,000 economic combines of various kinds. All the peasant households who are members of these combines earn more than twice as much as ordinary rural households. Therefore, these combines are very attractive. The new economic organizations that have been set up because the "two-civilization households" have taken the lead in doing so, have broken the tentative idea of "small and specialized and then specialized and combined" concerning rural economic development. This has given us even more confidence in building socialist new rural areas with Chinese characteristics.

Taking loving care of "two-civilization households" politically is the key link in building "two-civilization households." The party organizations at all levels in our prefecture's rural areas have regarded "two-civilization households" as examples for the masses of peasants and have paid attention to giving play to the advanced role of "two-civilization households" in various aspects of rural work. They have established CPC and CYL organizations among the individual industrial and commercial households and economic combines and actively recruited, without lowering the standards, CPC and CYL members from among them or appointed them cadres at the basic levels. This has not only imbued the CPC and CYL organizations and the basic government organizations with vigor, but also further heightened the level of building "two-civilization households."

Adopting the method of holding theoretical symposiums to study and discuss theoretical and practical problems which we may encounter in the process of building "two-civilization households," forecasting their development trend and deciding proper countermeasures are a good method to guide the healthy development of this activity. We have established a spare-time theoretical study and propaganda contingent consisting of a thousand theoretical backbones. Recently we held a theoretical symposium and made a preliminary study of the problems of relationships between "two-civilization households" and the new collective economy, between building "two-civilization households" and developing ordinary peasant households, between building "two-civilization households" and building civilization villages and the problem of the role of basic party organizations. Through theoretical discussion, we have overcome our blindness in action and have heightened our consciousness, and have formulated the guiding principle of imposing no compulsory targets, of attaching importance to quality, focusing on giving and providing service, in order to ensure the healthy development of this work.

In our prefecture, we have just begun the activity of building "two-civilization households," our understanding on the activity needs to be deepened continuously and our work needs to be strengthened continuously in order to raise as quickly as possible the building of "two-civilization households" to a new high.

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BE A MAIN PLAYER OF THE GROUP CHAMPION TEAM

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[Article by Mei Xiaoping [2734 2556 7720], a 1985 Qinhua University graduate, of the 601 Office of the Jianliu Company of Gansu Province]

[Text] In April 1985, I gave up the opportunity of further studies at the university and, on my own initiative, applied for work in the northwest region. This caused a stir inside and outside the university campus. In particular, following the report made by the newspapers, broadcasting and TV stations regarding my decision, many youths in various parts of the country wrote to me asking why I had made such a decision. I wish to talk here about my thoughts in reply to the comrades who expressed such warm concern for myself.

In September 1980, when I entered the gate of Qinghua University campus, I was then in an especial historical environment. At that time, the ideological circles of our country were unprecedentedly active. In the course of the rethink of the "Great Cultural Revolution," all traditional things faced a new challenge. Simultaneously with criticizing Lin Biao and the "gang of four" for using and faking the name of the revolution to prosecute various criminal activities, in the eyes of the youth of the time the "sense of social responsibility" and principle of collectivism were depreciated, being replaced by the worship of "individual power" and by the eager search for "self-interest." Many people saw from historical facts that the party had committed serious mistakes. In society, there were many dark aspects about which people felt pain. The desire to become a party member had also been dampened greatly. In such circumstances, would one like to have his destiny closely related to the party? This was an important selection facing me squarely on the road of life.

How should the party's errors be treated? At that time, although I was unable to have a clear perception of theory, the real life facts told me that in China's vast territory its most superior sons and daughters, whom Lu Xun had termed as "China's backbone elements," were still gathered under the banner of the Chinese Communist Party. People anxious to serve the motherland must be under this huge banner and march forward toward a common objective to be able to accomplish anything. Any single individual's strength would be unable to alter the national destiny.

Naturally, I was not a follower of nihilism. Under definite historical conditions, an individual's strength, particularly when he is driven by exalted sentiments, can create startling results. I also support that each and every individual should strive to make himself perfect in various aspects such as morals, ability, knowledge and learning. But the tempering, since boyhood days, of collective life and education in collectivism have made me believe all the more in the greatness of collective strength, and believe that once the individual's strength is incorporated into an organization to struggle for a great ideal, it will be greatly augmented. I firmly believe that if a person can, by means of his perfection, bring about other people's perfection, only then can his individual value be fully demonstrated.

Around 1980 was the time when our national women's volleyball team emerged from the Asian scene onto the world scene. As a sports enthusiast, I became a fan of the women's volleyball team. From their experience I achieved a further understanding of the role in social life that should be played by an individual who is imbued with a positive attitude to life. I feel that, from the angle of national development, the world can be compared to a ball field. The Chinese races form a ball team thereon and each and every conscientious youth among us should fight hard to become a mainstay player in the national team, fighting for the group championship. In a similar manner in current life, each and every specific activity and each and every piece of work is a contest. The group in which we find ourselves is a ball team and each and every conscientious youth should play the role of a mainstay player, in order that the group of which he is a member becomes the group champion team. The march toward communism is an incomparably difficult, complex and lofty undertaking. Each and every ambitious youth should take part unhesitatingly in the undertaking, when and as needed by the motherland and the people, and dare to "stand forth," "take up the burden," and "do the hard work."

At this time, some schoolmates were not too willing to take part in social welfare activities but, at my offer, I was made class leader. Some of my schoolmates were not too concerned with political activities and seldom gave thought to their political ideas but I was the first to send in an application to the party organization. These actions generated great effect on my schoolmates on campus. During the year I was class leader, the whole class collaborated wholeheartedly, helping each other and forming an extremely good class unit. We received the commendation of being an advanced class unit among the institutions of higher learning in Beijing city.

Four years passed and in the interval I became a glorious formal member of the Chinese Communist Party. The time soon came for job assignment on graduation. With great caution, I made the last big decision in my college career and it was an extremely serious one. I solemnly accepted the assignment.

In April 1985, the party Central Committee, the Ministry of Education, and the State Nationalities Affairs Commission jointly organized comrades from four northwestern provinces to come to Beijing to talk on construction conditions in the northwest, and to solicit and mobilize able and talented personnel for the region. As the principal cadre of the university's students' union, I took part in the reception work. During the whole period of these activities the organizing work was rather difficult. Very few people were willing to listen to the introductions and pleadings of the visiting lecture team. Not a single person dared to register to go to the northwest. This situation made me think deeply. I could not believe that the university's years of ideological education and professional training could have produced no effect or that the spirit of offering oneself and the zeal to seek ideals so characteristic of the younger generation, could have vanished altogether. But of all things, to make a start is always difficult and to be the first to do something requires courage. I still remember that on one occasion on a train ride I met a young man whom I had not seen for several years and whom the university had assigned to work in a difficult region. He angrily talked about the improper practices, complaining that in the job assignment at the time of graduation, party members and cadres were all assigned good localities and good posts whereas other people were mobilized to go to the difficult places. There was also talk of this kind on various other occasions. Some even said: "I would feel contented even if there was only one party member who actually went to such places." These words served as a reminder to me and also as an encouragement and stimulant. Despite the fact that at the time the university authorities had already decided where I should do upon graduation, it did not serve as any reason for me not to express my own opinion. I was then a member of the graduating class and therefore the natural choice. In the capacity of a student cadre, I should be at the forefront everywhere and, being a party member, when the party and the people called, I should step forward bravely and answer the call.

Subsequently, facts revealed that among our generation there were quite a number of warm-hearted youngsters who were rich in ideals and willing to offer themselves. When graduation day came many members of the graduating class signed up for jobs in the far-away border areas. In our university, some schoolmates even gave up the opportunity to pursue further research work and proceeded to work in Qinghai. The outstanding feature of the 1985 job distribution work in our university was the willingness to follow the state's assignment and to proceed gleefully to the different posts. All this was a great encouragement and education to me.

Looking back down the road I have traveled over the past 5 years, particularly in regard to the two choices I made, I feel that the road taken was the correct one. The first choice I made enabled me to participate in an organization which struggled for the ideals of communism. This organization gave me warmth, education and the motive power to advance. The second choice I made enabled me to throw myself into a gigantic undertaking which is sorely in need of a large number of talented people and to obtain a position in which I can further display my role in social life.

At present, I am a member of the vast contingent of construction workers in the northwest. All the past has become history. From now on I shall start from scratch and zero. But one principle cannot be forgotten and shall be the rule of my actions throughout life: That is, never consider yourself a person isolated from the world, but consciously act as a constituent member of the gigantic enterprise; never se rch purely for the individual's perfection and interests, but strive hard to be a mainstay player of the group champion team.

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THE NECESSITY OF INTENSIFYING THEORETICAL STUDIES AMONG CADRES AS SEEN FROM THE RESULTS OF SURVEYS AND TESTS

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[Article by the Lecturer Group of the Propaganda Department of Zhuzhou City CPC Committee]

[Text] At the end of 1985, we carried out a relatively all-round and systematic survey concerning theoretical studies among leading cadres at and above county level in our city. The survey showed that many cadres lacked basic Marxist-Leninist knowledge. During the survey we conducted a closed-book examination on common knowledge of philosophy, political economy, scientific socialism, and the history of Chinese revolution simply at the level of political theoretical courses given in our senior middle schools. Taking into consideration the fact that some leading cadres were relatively old and had poorer memories, we asked no questions of an essay-nature type in the test. Among the questions on the test, multiple-choice type accounted for 50 percent, fill-in blanks accounted for 10 percent, citing simple examples accounted for 8 percent, and the rest were simple common sense questions. For example: "What are the three sources and constituent parts of Marxism?" and "What are the fundamental differences between materialism and idealism?" Among the 129 papers, only 10 papers, or 7.7 percent, got marks above 80; 54 papers, or 41.9 percent, got marks between 60 and 79; 65 papers, or 50.4 percent, got marks below 60; 10 papers got marks below 30; and the lowest mark was 7. Taking part in the test were 64 relatively young leading cadres who had received college education. Among them, 29, or 35.9 percent, failed the test, the lowest mark being 29. Some principal persons of our economic administrative departments or enterprises do not know the two forms of expanded reproduction; some leading cadres of our financial and trade departments could not describe a commodity; and some cadres did not even know whether the following simple judgments were correct: "The fundamental task of the socialist state is to develop a production force"; "the key link of our economic structural reform is to strengthen the vitality of our enterprises"; and "Marxism is a dialectical unity between absolute and relative truth."

Through the survey we see that most of the comrades who were recently appointed to leading posts had an education above the college level, but 90 percent of them majored in sciences, engineering, medicine, or agriculture.

When they studied in their colleges, some comrades took only one or two courses on basic Marxist theory and had not learned Marxism soundly. After they graduated, they mostly were engaged in professional and technological work and seldom studied the social sciences. Even if they studied these courses hard in their colleges, having neglected them for a long time they gradually forgot what they had learned. When they took up their leading posts, it took a period of time for them to become familiar with their new jobs. Therefore, they had not had time to conscientiously study Marxist theory. As our county level leading cadres originally failed to make adequate theoretical preparations and failed to step up their efforts to make up for this defect after they were appointed to leading posts, naturally their theoretical level was relatively low.

From the discussions during the survey, we learned that many cadres had a muddled understanding of the study of Marxist theory, which was mainly summed up in the following categories: 1) Some of them thought that as they had educational certificates, naturally they knew theory and they were thus blindly self-satisfied. This view was relatively common among leading cadres who had received higher formal schooling and were relatively young. During the survey, we often heard people say: We learned these things in college, and if we are to study them again, we have only to learn by heart what we have already learned. Those comrades regarded the words and existing conclusions of Marxist theory as the entire content of Marxism. They were satisfied that they had learned these words and conclusions and did not want to continue to study Marxism. We think that this was mainly because they lacked a real, systematic, and all-round understanding of Marxism. 2) Others held that the theory was always changing. This view was relatively common among those cadres who are now about 50 years old and who received a relatively poor education. During the discussions, some comrades said: "During the 'Great Cultural Revolution,' theory changed as our politics changed. We had to change the views that we had learned and these changes turned us cold toward theoretical study." Some comrades even said that it was better to learn less theory than to learn more, better to learn nothing than to learn less, because the more one learned, the more bewildered one became. Through analysis, we held that this was confusion in the minds of these comrades, caused by the rampant spreading of metaphysics and distortion of Marxism by Lin Biao and the "gang of four" during the "Great Cultural Revolution." 3) Still others thought that Marxist theory was useless and only professional know-how was always useful; therefore, they failed to correctly handle the relationship between the study of Marxist theory and that of professional knowledge. This view was relatively common among vocational cadres. A deputy factory director of a medium-sized enterprise said: "By carrying out theoretical study, we cannot win any gold medals, create any value, or bring about any economic results. It is useless to study theory. We would rather study management and technology which are useful." This was a representative view. In the survey questionnaire, leading cadres of some enterprises said frankly that the major factor that hindered their study of theory was their "lack of interest" in such study and that they thought there "was no need" to study basic Marxist theory. This precisely showed that these cadres separated theory from practice and placed theoretical study against economic work. Moreover, some comrades failed to have a clear understanding of the relationship between adherence and development. They thought that Marxism had evolved; therefore, studying the theory of our ancestors could not solve practical problems. As a result, they were not willing to make efforts to study basic theory.

Marxism is a guide for our actions. All of the work and activities that our party carries out is linked with Marxism. All of our socialist orientation and path and the party's principles and policies is an outcome of integrating basic principles of Marxism with actual practice in China. If we fail to study hard basic Marxist theory, how can we use it to guide our thoughts and acts, or to analyze and solve various kinds of practical problems? How can we heighten our consciousness in implementing the party's principles and policies and adhere to a correct orientation during the reform?

Facts have already proved this. During our survey, we found that the thought patterns of some comrades were subjective and one-sided. They were apt to regard a partial phenomenon as an all-round situation and to go to an extreme and not correctly understand the party's principles and policies. Under the situation of opening up to the outside world and stimulating the economy at home, they could not make a clear distinction between right and wrong and did not know what was correct, what was wrong, what is socialist spiritual civilization, and what was capitalist decadent thought. Some comrades lacked initiative and foresight. They were busy day and night, but they had muddled ideas on some questions. Therefore, when a problem cropped up, they often dared not to make prompt decisions and thus lost good opportunities or made mistakes. The major ideological explanation for all this was their lack of guidance from Marxist theory.

We are presently in a new period of building socialism with Chinese characteristics. Countless new problems and situations will emerge one after another. There is no other way to solve these problems and we can only rely on integrating the basic principles of Marxism with practice. Now, a large number of middle-aged and young cadres have been assigned to leading posts. The tasks and nature of their work have undergone new changes. In the past, many comrades were engaged in vocational and technological work, carried out scientific research, contacted a small sector of people, and had a narrow scope of knowledge. They did not know much about Marxism, but they are now doing the work of leaders and are required to control the whole situation, to be in charge of implementing the party's line, principles and policies. This requires them to learn as soon as possible the lessons of basic Marxist theory which they missed so that they might apply a Marxist world outlook and methodology in making a scientific analysis and judgment of the tremendously changing social, political, economic, and cultural phenomena, thus drawing correct and practical conclusions. Comrade Deng Xiaoping said that we had to improve our sense of principle, organization, foresight, and creativity in our work. We will have none of these qualities if we do not study Marxist theory. Some cadres said with deep feeling that if we have only a great desire to do our work well, but do not have good guiding thoughts, often we will do what is contrary to our desire. Correct guiding thoughts can only be obtained through studying basic Marxist theory.

The city CPC committee has attached great importance to this survey. It has promptly approved and circulated the investigation report of the survey team of the propaganda department and lecturer group of the city CPC committee. The city CPC committee clearly pointed out: "We should grasp the study of basic Marxist theory as the core of our developing a spiritual civilization, as the key to our ideological and political work, and as a guarantee for the rectification of our party style." It has also decided to adopt the methods of television education, small rotational training courses, and self-study to organize theoretical study for cadres all over the city. The first round of the reading course for theoretical teachers in units at and above county level started on 4 January. The city CPC committee also stressed the principle of linking theory with practice, put forth the view that theoretical research had to be geared to the needs of Zhuzhou, to serve reality, and to application. It required its theoretical workers to cater to actual needs and its practical workers to carry out theoretical research. It encouraged its leading cadres to study theory, sum up their experiences, write theoretical theses, guide their work with theory in order to gradually give rise to a good prevailing practice among cadres all over the city of conscientiously studying and applying Marxism.

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WHAT IS THE RELATIONSHIP BETWEEN REFORM AND DISCIPLINE?

Beijing RED FLAG in Chinese No 5, 1 Mar 86 pp 43-45

[Article by Yang Guangyu [2799 0342 5940] and Nie Chunyu [5119 2504 3768]]

[Text] Reform is the self-perfection and self-development of the socialist system, and is carried out in a planned, systematic, and orderly manner under the leadership of the party and government. This requires that there should be discipline as a necessary guarantee. The CPC Central Committee's proposal on the Seventh 5-Year Plan clearly pointed out: "At no time should we forget that the four modernizations that we want to realize are socialist four modernizations. All the policies of reform, opening up, and stimulating our economy are aimed at building socialism with Chinese characteristics." This stipulates the nature of the connotation of the economic structural reform that has been vigorously developing in our country. All aspects of our reform must be carried out in close relation to the main principle of socialist orientation. If we deviate from this orientation, we will go against the goal of our reform. Discipline is the guarantee ensuring that we adhere to the socialist orientation in implementing the party's line, principles, and policies. If there is no discipline, if everybody is allowed to act at will, and if there is anarchy in which "everybody is allowed to do what he wants to do," then we will certainly deviate from the socialist orientation and finally undermine the reform.

The practice of reform has proved to us that the necessary discipline remains an important lever for coordinating the parts with the whole and microeconomic with macroeconomic relationships. In view of the process of social practice, the overall macroeconomic reform is often the sum of partial and microeconomic reforms. If there is no conscientious microeconomic probing and testing, and if we rely only on the formulation of plans on major macroeconomic reforms, it is almost impossible for us to fulfill the task of reform. At the same time, we must also fully understand that each specific aspect of reform is a small constituent part of the entire cause of reform. The general goal and trend of our reform demand that these small reforms must by no means be in conflict with the demands of our microeconomic development. In addition, only when they conform with the general goal of the reform can they achieve the expected successes. Otherwise, if we pursue short-term satisfaction and benefit, we will by no means be able to make them last. Discipline is a norm and restriction to the operations of our microeconomy, but this norm and this restriction are not negatives. On the contrary, they correctly discern, guide, and coordinate the mechanism of the operation of our microeconomic activities from an even higher plane of combining microeconomic with macroeconomic mechanism. Therefore, it is fundamentally conducive to the healthy and sustained development of our microeconomy. A shrewd leader can understand this characteristic of discipline. They do not blame the macroeconomic control for restricting them, but consciously adapt themselves to the objective surrounding of the reform, conscientiously explore the way in the course of the microeconomic reforms, and regard satisfying the macroeconomic demand of the overall situation as a discipline of the reform to follow.

True, it is necessary for the reform to break the rules and regulations and outdated policies. But this does not prove that discipline is unnecessary in our reform. On the contrary, reform precisely means attaining the goal of developing our productive forces through formulating a series of new policies and decrees to replace outdated conventions that hinder the development of our productive forces and through establishing a new-type system with Chinese characteristics to regulate and restrict the operation of our economic mechanism. What our reform must smash is only the irrational rules and regulations rather than the necessary discipline. What our discipline restricts should only be the acts that go beyond the norms but it should not tie people's hands in carrying out the reform. Deeply understanding the essence of the reform and discipline, fundamentally uniting these two, and consciously using discipline as a "gear" to control and push forward the "chain" of reform, this is the attitude that all those who are keen at reform, in particular reform leaders, should adopt.

Some comrades are at a loss how to handle the relationship between reform and discipline. When reform is stressed, they slacken discipline, but when discipline is stressed, they suspend the reform and adopt a wait-and-see attitude. One important reason they act this way is because they do not understand or they fail to grasp the dialectical unified relationship between reform and discipline. Viewed as a whole, reform, as a means to promote the development of society, is a positive and dynamic process, but from the point of view of its concrete processes, it is often characterized by development by stages and with fluctuations. Compared with the practice of reform, discipline is better characterized by being relatively unchanging. It is norms that have taken shape through summing up past experience and which regulate and restrict the trend of future reform. However, as norms for our acts of reform, our discipline does not remain absolutely unchanged. In the course of our reform, except for the discipline that has been proved to be effective by our practice and that we must impose, we should formulate a new discipline in the light of the changes in the situation and our tasks and use it as a brake or regulator to ensure the smooth development of our reform. From this we can see that reform and discipline are by no means absolutely opposed to each other, but are shown as a dynamic and static dialectical unity in many aspects in the process of our reform, namely, the unity between the reform's apparently changing nature and discipline's relatively unchanging nature, the unity between the continuity and the nature of development by stages in our reform itself, and unity between the nature of being relatively unchanging and the changing nature of our discipline. When we understand and grasp this dynamic and static dialectical unity between reform and discipline, in handling the relationship between reform and discipline, we will gain the initiative rather than be passive.

Adhering to the unity between reform and discipline appears particularly important now when we have not yet brought a radical turn for the better to our party style or the general mood of our society. At present, there are indeed the phenomena that some people have made gains for themselves as individuals or for their units by exploiting the loopholes of our reform and violating financial and economic discipline, while those who strictly observe the discipline may suffer certain losses concerning their economic interests. These are temporary phenomena that we are correcting and putting an end to. They have by no means proved that our discipline fetters our reform, but on the contrary, they have only proved that unhealthy practices that violate our discipline are hindering our reform. Therefore, in order to reform our economy, we should more strictly impose our discipline. Only the views that people should correctly understand and handle the relationship between reform and discipline, and that all people should consciously observe the discipline and persist in carrying out their activities within the scope allowed by our policies, rules, and documents, are conducive to correcting the unhealthy practices and enabling our reform to attain the expected goal. If we act in accordance with the view that "we should reform our economy and slacken our discipline," then, first, we will hinder the reform, second, we will encourage the unhealthy trends, and third, we will have more cadres commit mistakes and even ruin a number of our cadres. We must never overlook this.

We should never be too lenient with corruption or serious violations of the law and discipline that have been committed deliberately. We must mete out disciplinary punishment for any violation of discipline and legal punishment for any violation of the law. We should resolutely prohibit activities that violate our discipline and harm the interests of the state and the vast number of masses of people. We should economically punish those who have exploited the loopholes of our reform to make large personal gains. We should not allow these offenders to benefit economically. If we tolerate these activities, we will damage the dignity of our discipline, rules, and the law. This is detrimental to our reform, does not conform to the fundamental interests of the people, and is also detrimental to educating our vast number of party members and cadres. We should not only always impose our discipline, but also repeatedly intensify our education in discipline. In particular, we should earnestly teach our vast number of party members and cadres to realize that their fundamental goal is to serve the people and to strive to follow the principle that in doing anything at any time and under any circumstances, they should put the people's interests before everything.

Of course, in imposing our discipline, we must be serious and prudent. We should not regard the necessary experiments and probing in our reform as violations of discipline. A leader should have sharp eyes and be good at discovering and brave in protecting the initiative of some of our advanced cadres and people who represent the orientation of the social reform and who have to some extent broken outdated, old conventions. Like any good weapon of war which is certain to have some effect on the area around its target and to have a range of error, the activities of our reform may also have some errors in spite of their correct orientation. True, we should conscientiously sum up our experience and draw lessons from the errors, but we should distinguish these errors from violations of discipline. We should analyze these errors, regard them as being different from violations of discipline, protect the good achievements of our reform, support the spirit of reform, and help the advanced elements in the reform as we would help the growth of "young buds."

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WHY IS REFORMING THE PRICE STRUCTURE AND THE PRICE MANAGEMENT SYSTEM CRUCIAL TO IMPROVING THE MARKET SYSTEM?

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 45

[Article by Li Xiaoxi [2621 2556 6007]]

[Text] The market is the product of commodity economy. Following the development of the commodity market, markets for funds, technology, and information have correspondingly come into being, thus forming an organically related market structure. Socialist economy is a planned commodity economy. It requires us to reform the ossified price management system, which is overcentralized and exerts a strangling form of control, to follow the demands of a socialist planned commodity economy, to determine the scope of the functions and power of price management, and to promote the rationalization of the price parities and price disparities of commodities and thus the formation and perfection of the socialist market structure.

We can explain from three angles the key role of price reform in forming and perfecting the market structure. First, only through reforming the price structure and the price management system is it possible to enable the commodity market to continuously develop and achieve perfection. In terms of territory, the commodity market may be classified into the international market, the domestic market, the rural market, the urban market, and so forth. Touching on the direction of reform of prices in the commodity market, the proposal of the party Central Committee on the Seventh 5-Year Plan pointed out: In regard to the market in means of consumption, aside from a small number of important commodities still subject to price-fixing by the state, the prices of ordinary commodities should be liberalized gradually and according to plan, so as to follow the conditions of market supply and demand; as for the prices of important means of production, it is necessary to gradually reduce the proportion of those subject to unified price-fixing by the state, and to enlarge the proportion of those subject to market regulation, and at the same time it is necessary to readjust, in a planned manner and step by step, the planned prices, so that the disparity between the two categories of prices, namely planned and market prices, will be gradually reduced; in the case of important public utilities and major labor services, the levels of fees and charges, or prices, will be still under the state's control, but planned readjustments will be made, while the charges and prices of tertiary industry will be gradually opened up and liberalized. All this will rationalize the price structure and enable the price levers to perform their role in an even better manner in regulating the production, circulation, and consumption of commodities. Rational price parity relations can automatically adjust the input of social labor power, funds, and materials to be in line with social needs; while rational price disparity relations will change the past subsidized form of circulation to normal price disparity relations, thereby promoting the perfection of the commodity market and the development of the commodity economy.

Second, only through reforming the price structure and the price management system is it possible to bring about the formation and development of various kinds of markets such as the money market, the technology market, and the information market, and to make the market structure gradually approach perfection. In explaining the proposal on the formulation of the Seventh 5-Year Plan, Premier Zhao Ziyang pointed out: "It is necessary to further develop the socialist planned commodity market and gradually perfect the market structure." These words pointed out the close relationship between the commodity market and the market structure. Development of the commodity market plays the role of leading and promoting the formation and development of the entire market structure.

Despite the fact that the formation and perfection of the money market requires the reform of the currency system and that the formation and perfection of the technology market requires the reform of the science and research system, and so on, the coordination axis of the reforms of the various systems is still the reform of commodity prices. Reform of commodity prices is the key to reforming the economic structure.

The various kinds of markets all have their own special price forms. In the money market, the prices of funds are shown in the forms of interest rates, exchange rates, and stock dividends; in the technology market, the prices of technological products are shown in such forms as transfer charges or input of shares in technology. But the changes in these prices are all closely related to commodity prices. For example, changes in price indexes are likewise followed by changes in interest rates, exchange rates, and share dividends. It may be said that separated from the reform of the various structures which are coordinated with the reform of commodity prices, the market structure cannot be formed, and that without the appearance and perfection of the special market price forms of the various kinds of markets which are coordinated with the reform of commodity prices, the market structure cannot be formed and perfected.

Third, reform of the price structure and the price management system can promote competition, strengthen the vitality of social production, including that of large and medium-sized enterprises, enable society to possess a supply system which is strong and in variegated form and which conforms to social needs, and also lays a firm foundation for the market structure. On the other hand, it can reduce the scope and amounts of price subsidies, assist in abolishing the rationing system and the supply system of commodities, enable society to form a pluralistic and multilayer consumption network, and also enable the market structure to possess the necessary conditions. Thus, price reform can make the two sides of social supply and demand react suitably to changes in the development of the commodity economy. This lays the foundation and creates a good environment for the formation and perfection of the commodity market and the entire market structure.

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WE MUST BE GOOD AT GRASPING MATTERS OF PRIME IMPORTANCE, WHILE KEEPING THE OVERALL SITUATION IN MIND

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 46

[Article by Liu Yangchun [0491 7122 2504], secretary of the CPC Committee of Shaoyang [6730 7122] Prefecture; taken from XUEXI DAOBAO, 1986, Issue No 1]

[Text] 1. If one is to be a good county secretary, the most important task is learning how to grasp matters of prime importance, while keeping the overall situation in mind.

The key consideration in the new period is that economic construction has become the central task, while the villages have changed from engaging in pure agriculture to comprehensive management. In facing such a relatively complicated and systematic process, our work procedures need to be made more scientific. That is, we must make scientific decisions rather than decisions based purely on experience. In the past, we relied mainly on individual experiences and the wisdom of leaders to complete our overall work procedures. Now, in making a major decision, we must use scientific methods such as carrying out investigation and research, using forecasting technology and analyzing viability. When problems are discovered, we must use scientific procedures such as fixing goals, assessing the value of things, selecting the best plan, and carrying out experimental verification, and using modern technology. Only in this way will we be able to complete our work.

2. A county secretary must have a strategic mind and be good at grasping basic, key work.

In terms of space, he must consider: the relationship between building material civilization and building spiritual civilization; the relationship between economic work and ideological and political work; the relationship between party committee work and government work; and so forth. He must also research, for the whole county, economic development strategies, population development strategies, facilities development strategies, social development strategies, technical development strategies, personnel development strategies, and so forth.

In terms of time, he must consider the overall situation as well as strategies, including the overall process of the county's development and the different development stages. A good county secretary must look ahead and behind and make good preparations before taking any steps. Not only should he look at today's results in terms of yesterday's struggle, but he also should see today's practice in terms of tomorrow's requirements.

The county secretary must also be good at grasping basic, key, local work. Some people say the most important, key work is developing talented and skilled personnel. Of course talented and skilled personnel are important, but even more important are the systems and institutions. If we view people with creative abilities like fast cars and the systems and institutions as the road, then if we do not have a wide, smooth, flat road, a car which can travel quickly will be of no use. Thus, at present the basic, key work is reform.

3. If a county secretary wants to grasp matters of prime importance while keeping the overall situation in mind, he must put great efforts into management, decisionmaking, and coordination.

Management is the party secretary's basic duty. An important component of management is the institution of the post responsibility system throughout the county at all levels. The county secretary should have good control of the members of the county party committee so that, through the members of the county committee, the lower level party committee members can be controlled. In this way the county secretary can use some of his vigor in handling day-to-day work and most of his vigor in thinking about important, long-term matters.

Whether decisionmaking is correct and whether it is timely is important to the success or failure of an undertaking. If we are to have correct decisionmaking, we must ensure that the decisionmaking process is scientific. If we are to have timely decisionmaking, then we must have a high-quality, consultative body. If we are to have firm decisionmaking, we must have both courage and knowledge. We also need a keen-witted and effective executive body.

We must be good at coordinating the relationship between party committee organs and government organs and the relationships between the various aspects of economic work, playing a role as "binding agent." We must also be good at coordinating the relationship between leaders and the masses and play a role as "close friend" of the masses.

If a party secretary is to be good at grasping matters of prime importance while keeping the overall situation in mind, he must also pay attention to his own studies. First, he should study the basic theories of Marxism and the principles and policies of the party, holding firmly to the correct work direction. He should study management science, leadership science, organizational psychology and so forth so as to raise his leadership level.

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CONTRIBUTIONS AND FAME

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 47

[Article by Jiang Xia [3068 7209]]

[Text] Two years ago, I visited Guan County of Sichuan Province twice. When, each time, I climbed up to the Huanjing Pavilion of Yulei Shan to look at the Dujiangyan Dam, which has contributed so much to the people's welfare and looked so gorgeous and grand, the saying instinctively came to my mind: "Persons who have contributed to the people's welfare live forever in people's minds."

People in our ancient past were interested in "performing meritorious deeds and making contributions." Over 2,000 years ago, Li Bing, head of the Shu Prefecture of Sichuan Province, constructed this huge water conservancy project. Its water irrigated over 2 million mu of farmland, turning the flatland in western Sichuan into thousands of li of fertile soil and making the province a "land of abundance." "The Historical Records: On Rivers and Canals," recording this event, says that "all the people enjoyed its benefits." This person Li Bing verily deserved to be praised as "having made enormous contributions to the welfare of the populace." Since the establishment of the PRC, we have continued construction in the Dujiangyan area, enabling this huge water conservancy project to expand its beneficial effects (over 8.6 million mu of land are now irrigated by this project). People continue to worship at the "Erwang Temple." The stone statue of Li Bing of the Eastern Han era, which was unearthed a score of years ago, still stands here. I consider it an expression of the people's gratitude, and a eulogy, to this personage who contributed so much by doing what was good and removing what was evil for the people--a sort of memorial with the people's characteristics.

How can it be said that China's traditional culture is in conflict with modernization? I am afraid that this is not true, particularly with the existing ideologies of "standing firm on rendering services, on morality, and on one's promises," "initiating and creating careers," and "making worthwhile contributions." The general features in the building up of culture are: Through the ages ideological legacies have been analyzed, transformed, and absorbed or endowed with new contents of valuable ideas, thereby becoming worthy of being inherited. At present, the socialist modernization program is in dire need of people's desire to make contributions. It also needs thousands upon thousands of cadres, strongly imbued with this kind of desire, to serve the nation and the people tirelessly, working hard and toiling until death and not bothered at all by thoughts of fame and position.

One of Du Fu's poems eulogizes the "beauty in the spring of the Jin Jiang and the vast changes brought about by the building of the dam at Yulei." Throughout China's history, undoubtedly there have been many people who, like Li Bing, put "making contributions" first. The saying "fame follows the accomplishment of feats" should mean that one must make contributions first and produce real results which win social acclaim before one can acquire fame, prestige, and favorable treatment. Again, the saying "have highly meritorious deeds duly recorded" implies that fame and the like are the record and reflection of different kinds of meritorious deeds and contributions. Once fame has been achieved, one must still strive to score new achievements and render new meritorious services. Sages in past history were all aware that "in assessing contributions, and giving awards or imposing fines, the worthy ones should not be neglected," that "those not having made worthy contributions to the state should not be given high government posts," and that "persons lacking meritorious deeds dare not occupy high positions." By reason of the class element in society, these views could not necessarily be carried out and might even be completely contradicted. In any case, these ideas and viewpoints are positive ones. Those sages never advocated that in undertakings and in knowledge one need not first perform real deeds and have concrete accomplishments, or that one should strive hard for fame and position and should not fall behind others in this respect, or that fame should be given indiscriminately to people.

The millions of people of the current era still praise with full enthusiasm Communist Party members and cadres who are party members because of having made contributions to the welfare of the people. This can be seen, heard, and felt by people before martyrs' tombs in various places in our country and from proverbial sayings, folk songs, and common utterances. The people still understand that "glorious deeds are followed by fame," that this is an objective fact, but that it does not indicate that people should work purely for the sake of gaining fame.

In building the two socialist civilizations, our Communist Party members and cadres who are Communist Party members should never forget the party's overall objective of serving the people with one's whole heart and soul. This is a Marxist objective. In it, the many positive elements of our motherland's superior cultural legacy have been absorbed and digested and have made flying improvements in quality. Only through following this objective to render service and make contributions can we attain real honor and fame.

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A MIRACULOUS RISE TO FAME--ON READING THE STORY 'A SONATA OF ENERGY, HEAT, AND STRENGTH'

Beijing RED FLAG in Chinese No 5, 1 Mar 86 p 48

[Article by Jiang Zheng [1203 6927]; story carried in May 1985 issue of ZUOJIA [WRITERS]]

[Test] To the procrastinating and parochial small producers who rely solely on their past experiences, the rise of modern enterprises and modern civilization is an incomprehensible mystery.

Wang Youdou and Wang Fa, owners of the Xilaixun Restaurant, which has the style of the Dunwangfu Restaurant, celebrated for its roast mutton, are in precisely this predicament. It defies solution. Their five old rooms, whose walls are already showing the reed matting underneath, and the piece of land threatened by buildings on four sides are, in the hands of the four youths clad respectively in red, blue, yellow, and green imitation camlet jackets, instantly and miraculously converted into a brand-new and modern restaurant which has its special features and which is thriving and prosperous. The Wang father and son are jealous, startled, and puzzled....

The unique and stimulating feature of "A Sonata of Energy, Heat, and Strength" are its vivid portrayal, from the special angle of an individual entrepreneur, of the miraculous rise of a modern restaurant, thereby lifting the curtain of the modernization of our tertiary industry and letting people see its bright prospects.

The first section of the story is a "blurred overture," true to its name title. It is blurred because we and the Wang father and son have no way, for a time, to see clearly the real intention of the buyers of the houses, and are unable to perceive the breadth of mind and ambition of the four youths. As a result, an astonishing aesthetic psychology is generated; in particular, the story analyzes in detail the different psychology of the individual operators, the Wang father and son: The more sincerely, liberally, frankly, and from the heart the buyers show their concern for the interests of the sellers, the more puzzled are the Wang father and son. They seem to have before them not college students (three of the four youths are college students) of the eighties, but a dreadful sphinx. Here, the novel initially reveals the deep disparity between different kinds of people and different kinds of psychology. The psychology, vision, and resourcefulness of Wang Youdou, the small property owner, are diametrically opposed to the unfathomable magnanimity of Zhang Hongtao, the chief representative of the group of buyers. Other characters, all presented colorfully and in different forms, all help to enrich the total complicated and confused picture.

If it is said that the first section of the novel is only the overture or prelude of the production, then the second section is its developed part. Its entire illustrious color, complex tunes, and high-spirited rhymes all burst forth simultaneously, playing before Wang Fa and the readers of the story an impressive and moving "rising sonata." First, the rise of the Bally Restaurant is a miracle. Wang Fa can never understand how "all the originally unfavorable factors can have become favorable factors and all the originally inferior conditions can have become superior conditions." Just as is stated in the comments made by the city information company and the city committee for guiding the development of tertiary industry: This is a newly developed type of business which takes an overall view of the situation, has quick access to information, is able to grasp opportunities, is skillful in using its topographical advantages, and is imaginative in its plans and brave in creating something new. This enterprise not only presents to the Wang father and son a new world, and makes Wang Fa feel the "intermixing of the ages," but also causes quite a stir in the city and brings to the city residents a new atmosphere of the new era. This new-style restaurant is no longer a place to fill the stomach, but eating and business, eating and science, eating and information, eating and amusement...are all closely interwoven. Thus, simultaneously with the rise of this restaurant, we also see the rise of science in this area of restaurant services which hitherto has made the minimum use of the fruits of modern science and technology. Here, management science, economic science, information science, and sciences related to recreation, construction, the arts, and training and employment of personnel are all in use. If it is said that these dazzling results make Wang Fa, simultaneously with admiring his boyhood friend Zhang Hongtao, suffer from an inferiority complex and feel a sense of lagging behind others, then the concern, understanding and sympathy, respect, help and wish to cooperate expressed by Zhang Hongtao and his coworkers must make Wang Fa feel pleased and encouraged and see new hopes ahead. This shows that socialist competition possesses brand-new man-to-man relations which capitalism does not, and cannot, possess. This group of young people are not looking for jobs to support their families and never dream of becoming big merchants and important business executives. They are only opening up tertiary industry as a new venture and a sort of new ideal for their struggle and for them to offer their lives to. Thus, through the rise of a restaurant, we see also the rise of a new enterprise, and the rise of a new concept and of a number of new people.

This "Sonata" of Run Shui and Chen Xuan is only a small portion of our symphony of many compositions in the era of reform. However, people can, from the big and the small, perceive an exceedingly pleasing situation displayed by the reform. It tells us that the tide of reform and of replacing the old with the new is irresistible. Antiquated and old concepts and backward management methods cannot avoid being replaced by new and advanced concepts and methods. Individual households and enterprises are no exception to this rule and must undergo a severe test. The only consolation is that thanks to the protection and guarantees of the socialist system, to the socialist consciousness which people have generated through the years, and to the friendly man-to-man relations, the replacement will take a secure and gradual form, avoiding Western society's vulgar phenomena of cheating, deceiving, and crushing each other. Perhaps this is one of China's characteristics.

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A POLITICAL THEORY BOOK THAT IS WORTH READING--A BRIEF INTRODUCTION TO 'ANNOTATIONS TO THE RESOLUTION ON CERTAIN QUESTIONS IN THE HISTORY OF OUR PARTY SINCE THE FOUNDING OF THE PRC (REVISED EDITION)'

Beijing RED FLAG in Chinese No 5, 1 Mar 86 inside back cover

[Book review by Wei Zhi [3634 0037]]

[Text] "Annotations to the Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC (Revised Edition)," compiled and edited by the party literature research office and published by the People's Publishing House, is a political theory book that is worth reading.

This is a book of notes. Through the full and accurate use of documents and archival material, it provides a correct description, analysis, and explanation of the historical facts and theoretical viewpoints found in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" passed by the 6th Session of the 11th CPC Central Committee. There are 130 notes and over 400,000 characters. Involved in the compilation were nearly 100 theoretical workers from over 30 units, including the relevant departments of the CPC Central Committee and State Council, relevant research organs, and military institutions. Most of these comrades have done specialized research into the matters written about, and some are well-known scholars of high standing. The documentary materials and economic materials used in the notes (including some rare historical archival material published for the first time) were selected, appraised, and checked by relevant departments and great efforts have been made to ensure that the viewpoints put forward have a historical basis and have been subject to serious analysis and research. This book was first published in 1983 for internal distribution and was praised by party and government cadres, teachers of and researchers in party history, and theoretical propaganda workers. In 1985, it was revised and supplemented with some important documentary materials explaining historical facts and viewpoints. Also, drawing on new achievements in the understanding of political theory over the last few decades, some of the analyses, expositions, and wording of the original notes were improved.

This book provides a quite systematic explanation of the historical experiences of China's revolution and construction as well as of the new experiences since the 3d Plenary Session of the 11th CPC Central Committee, in accordance with the judgments of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC." In order to better understand the present, this book specially provides, through certain notes, a description of the major experiences of the CPC in leading China's revolution to victory before the founding of the PRC. However, the major stress of the book lies in describing the major historical events and important lessons of experience since the founding of the PRC. It introduces the successful experiences of the CPC in leading socialist revolution and socialist construction in the 17 years after the founding of the PRC and, at the same time, explains quite openly the historical process by which our party's "leftist" mistakes developed. It clarifies the truth in respect of various important events during the "Cultural Revolution" and concretely analyzes the painful lessons in respect of the launching of the "Cultural Revolution." It explains the origin and development of some of Comrade Mao Zedong's basic theoretical viewpoints and dissects quite fully the origins of the ideological and theoretical mistakes made by Comrade Mao Zedong in his latter years. It introduces the historical process by which the 3d Plenary Session of the 11th CPC Central Committee brought order out of chaos and provides an initial description of how, in recent years, our party has summed up those basic experiences which accord with our national conditions. This book strives hard to closely combine historical observation with theoretical elaboration and analysis of the present situation. Actually it is a political theory monograph in note form. Thus, in the study of theory, in research into party history, and in the study of China's present socialist situation, this is a reference work of great value.

Of course, this book has a few shortcomings. For example, it is rather weak in its description of the historical experiences in the first 7 years of the PRC and the new experiences since the 3d Plenary Session of the 11th CPC Central Committee. Some notes are quite prosaic and vague, while some of the language is insufficiently lively. These points need improvement.

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China Report

RED FLAG

No 6, 16 MARCH 1986

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CHINA REPORT
RED FLAG
No 6, 16 March 1986

Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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LITERATURE AND ART SHOULD BETTER SERVE THE TWO CIVILIZATIONS

Beijing RED FLAG in Chinese No 6, 16 Mar 86 p 2

["Forum"; article reprinted in the 15 March edition of GUANGMING RIBAO]

[Text] The general situation of China's literature and art circles is fine, with a number of good works and talented people emerging in recent years. The ideology and sentiments of the literature and art workers are sound on the whole. However, we must see that weakness and slackness in leadership and unclear guiding ideas still exist in this field, and that the influences of decadent schools of literature and art from capitalist countries and other erroneous things are not given due resistance or solutions. As a result, we have for some time witnessed such abnormal phenomena as blind worship of Western bourgeois literature and art and imitation of some vulgar styles in Hong Kong and Taiwan literature and art. The appearance of some literature and art works unhealthy in ideological essence and of low taste have affected some of our literature and art workers and produced some negative social effects. This is out of line with the building of socialist spiritual civilization and deserves the intense attention of the whole party.

In order to make literature and art better serve the building of socialist material and spiritual civilizations, the most important thing at present is the need to further clarify the guidelines of literature and art. The literature and art field has in recent years neglected propaganda and education about Marxist thought in literature and art. It has failed to analyze and criticize the bourgeois views belonging to various Western schools of literature and art which find their way into China.

Moreover, such bourgeois views have been adopted by some of our literature and art critics in their observation and discussion of Chinese literature and art. Such a practice has resulted in the corruption of some young people (including some promising young writers) by Western bourgeois decadent ideas, ideas of modern decadent schools in particular. Ours is a socialist country; we must adhere to Marxist ideological principles. Of course, Marxism should develop continuously with the march of the times, but the basic tenets and the many theses on literature and art and aesthetics in the Marxist ideological system are still of important guiding significance to our literature and art undertakings today. Therefore, in the building of socialist material and spiritual civilizations, Marxist theory in literature and art and aesthetics must be promoted and popularized in a big way; otherwise, literature and art work will go astray.

Strengthening propaganda and education about Marxist thought in literature and art must be linked with summing up and studying historical experiences. For decades, our revolutionary literature and art has played a tremendous role in invigorating a national militant spirit, resisting foreign invasion, dealing blows to aggressors, promoting the great unity of all nationalities, and building socialist new China vigorously in high spirits. It is entirely wrong to adopt a nihilist attitude toward the revolutionary traditions of literature and art. We should sum up our experiences in earnest, bring forward the fine traditions, and create more excellent works worthy of the expectations of our times and our people in the new historical stage of reform and construction.

Literature and art is an important component of the building of socialist spiritual civilization. Party committees and departments responsible for culture at all levels must strengthen leadership over literature and art work. Cadres, writers, and people in the performing arts who are engaged in literature and art work must take social benefits as the highest criterion and render service in the greatest interest of our nation and people at present--realizing socialist modernization and upgrading the mental attitude of the people. We must be bold in criticizing some phenomena of partaking in spiritual pollution, and at exercising discipline. Of course, problems within the realms of politics and ideology should be solved with ideological education as the key and the correct unfolding of criticism and self-criticism. We must refrain from labelling others arbitrarily. It is necessary to further clarify that criticism, education, exercising discipline, solving existing problems in the contingent of literature and art, and overcoming some negative phenomena are precisely to make our contingent of literature and art workers still more purified and strong, and to make them still more reliable, cherishable, and respectable to the party and the people, and play a still greater role in socialist modernization.

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BE GOOD AT WIELDING THE WEAPON OF MARXIST PHILOSOPHY

Beijing RED FLAG in Chinese No 6, 16 March 86 pp 3-6

[Speech by Peng Zhen [1758 4176] on 28 January at Zhejiang University; corrections and additions made by Peng Zhen prior to RED FLAG publication]

[Text] I congratulate you comrades of the Zhejiang University on your gratifying successes in work, and I wish you greater achievements.

You want me to speak--on what? I hope you will be good at wielding the weapon of Marxist philosophy on transforming both the objective and subjective worlds, as this weapon enables us to have a correct stand, views and methods in observing and handling problems. We take it as a guide to observing and handling social problems as well as problems in the natural world. Whether or not we master and apply Marxist philosophy and whether or not we consciously do so, makes a world of difference in our actual work results. Therefore I would like to discuss this problem with you and hope that you will master and apply it more consciously.

After the "gang of four" was smashed, we criticized the mistaken viewpoint of the "two whatevers," which seriously hampered the work of bringing order out of chaos, and emphasized again and again that the only criterion for judging truth was practice. Marxist philosophy, which refers to dialectical materialism and historical materialism, has undergone the test of practice. It is the summation of the historical process of human understanding. As everyone is aware, materialism and dialectics had emerged long before Marxist philosophy came into being. Hegel was the master of dialectics. He was the first one to explain the general form of movement of dialectics. Hegel held firm to the viewpoint that matters move in the course of contradictions, that is, the viewpoint of development. However, his dialectic was idealism. The "absolute concept," he maintained, was the subject of the world and the source of all matters, and development started from the "absolute concept" and finally returned to the "absolute concept." Here he put dialectics upside down and made it mysterious. Feuerbach criticized Hegel's dialectics and at the same time abandoned it. As his dialectics could not go beyond the limits of metaphysics and continue through to the end, Hegel still remained an idealist on matters concerning understanding society and history. Marx and Engels critically inherited Hegel's and Feuerbach's philosophical achievements, brought them forward, and founded dialectical materialism and historical materialism. This was an epoch-making philosophical attainment in human history.

Since Marx and Engels founded dialectical materialism and historical materialism, they had all along used it to observe and handle problems. Also, they handed this great tool of understanding to the working class. This philosophy, Marx said in his early years, took the proletariat as its material weapon and, similarly, the proletariat looked upon this philosophy as its spiritual weapon. Dialectical materialism and historical materialism are the theoretical manifestations of the fundamental interests of the proletariat and the laboring people. The interests of the proletariat correspond with the objective law governing social development, therefore it can boldly seek and uphold truth. The scientific truths of dialectical materialism and historical materialism are in complete unanimity with the stand of the proletariat. Therefore, the proletariat finds it easy to accept and thoroughly apply dialectical and historical materialism.

Social practice over the past century has proven that Marxist philosophy is correct. When capitalism was still in its prime Marx already foresaw that bourgeois dictatorship would inevitably lead to the proletarian revolution and proletarian dictatorship and pointed out that proletarian dictatorship would finally result in its self-negation, that is, the extinction of classes, the abolition of the state, and the dying out of the proletarian political party. At that time, mankind would enter an advanced society--communist society. Was this scientific prediction right or wrong? History proved that it was right. Although the Paris Commune existed for a short time and did not have much experience, it already proved the correctness of this prediction. Subsequently, the October Revolution broke out. In the October Revolution, Lenin used Marxist philosophy, viewpoints, and methods to analyze domestic and international situations. Then he mobilized and led the working class, the peasant class, and other laboring people in overthrowing the czar and the rule of the landlord class and the bourgeoisie. The first socialist state under proletarian dictatorship was founded in a backward Russia. The October Revolution was a major test for Marxism, and the result proved that Marxism was correct.

After the October Revolution, many people said that Soviet Russia could not last long. However, not only did it smash foreign armed intervention and grow stronger, it also withstood the severe test of the cruel World War II. At that time, Hitler seemed terrifying. He occupied most of the countries in Europe and invaded the Soviet Union, first conquering Leningrad. Then fighting all the way to Stalingrad, and finally pressing on toward Moscow. Stalin said at that time that the motherland was enveloped by a crisis. But how did it turn out? Hitler was smashed in the Soviet war to defend the motherland and in the antifascist struggle of the people of the world. World War I led to the founding of the first socialist country under proletarian dictatorship--the Soviet Union. Revolution soon took place in countries such as Germany and Hungary, but they finally failed. After World War II, many countries were victorious in their revolutions. In particular, China, a country with the largest population in the world, achieved victory in the new democratic revolution and the socialist revolution under the guidance of Marxism. These victories further suggested the correctness of Marxism and Marx' prediction. History develops on its own path regardless of whether or not people agree with Marxism. This proves that Marxist philosophical theory is correct and that Marxist economics and political science derived from this theory are correct.

Zhejiang University comrades have made great achievements in their work. You have boldly carried out explorations and resolutely gone in for reforms, and you are making constant progress and new achievements in various fields. For example, you have done well in ideological and political work. Why have you made such marked achievements in various fields? In my opinion, the most important reason is that your understanding is unified and correct, and you have held firm to the four basic principles. The four basic principles are included in the party and state Constitutions. Of the four principles, party leadership and socialism are the central issues without which the principles would have no backbone. The CPC is a proletarian political party armed with Marxism-Leninism-Mao Zedong Thought. One of the four basic principles is to persist in Marxism-Leninism-Mao Zedong Thought. We should never be capitalist-minded but should be socialist-minded. We are now carrying out material and spiritual civilizations, and these two civilizations must be guided by Marxism-Leninism-Mao Zedong Thought. There is only one "ism" in the two civilizations, that is, socialism. This is what the party adheres to.

One fundamental requirement of Marxist philosophy is to observe and handle problems in the light of their actual conditions. In understanding things, people must use their brains, through which actual conditions are reflected. The purpose of understanding actual conditions is to transform them. In short, we must proceed from actual conditions both in the study of social and natural sciences and in actual work. Actual conditions are very complicated, but most complicated are the realities of social life, as this sphere deals with relations between people. Although man is part of nature, not only is he different from natural things and animals, but he also has subjective activity. This subjective activity is intricate and volatile. However, no matter how complicated things are, we can acquire an understanding and comprehension of them, as there is always a law governing their movements. Understanding and transforming actual conditions is a manifestation of subjective activity. To bring into play the role of subjective activity, it is necessary to base it on objective realities. In other words, subjective thinking must correspond with objective realities. Man's brain sometimes goes astray. In such cases, he will tumble and be thrown into confusion. Therefore, we should proceed from actual conditions when observing and handling problems.

To proceed from actual conditions, first, it is necessary to be objective. We should not be subjective and should look at objective realities as they are. Second, it is necessary to take an all-round view and avoid being one-sided. We should take an all-round view of both the past and present with emphasis on the present.

In addition, we should take an all-round view of the development of things, that is, of their future. This is what we mean by taking an all-round view. The subjective will conform with the objective provided we observe problems objectively and in an all-round way. Furthermore, matters have their appearance and essence. In observing matters, we can only see their appearance, whereas their essence is concealed and invisible. Only through scientific analysis can it be revealed. The appearance reflects the essence and is different from the essence. The appearance may reflect truth or falsehood. It distorts facts when it reflects falsehood. When observing problems, we touch on their appearance but must not stop at their appearance; we must be able to see through their appearance to their essence. This requires us to obtain the necessary material and analyze it. When analyzing it, we discard the dross and select the essential without making comparisons or eliminating the false and retaining the true. It is impossible to have a good knowledge of the relations between matters or to understand the essence of matters.

Marxist philosophy seems simple, but in fact it is not. Marxist philosophy is a branch of science. Since the beginning of recorded history, mankind has spent several thousand years gaining understanding in this branch of science. It was Marx and Engels who established this philosophy in line with the development of production and science and technology. In ancient times, long before Marx and Engels, there were already dialectical and materialist theories, but owing to limitations of historical conditions, it was impossible for them to reach such a high level as Marxist philosophy. Therefore we say that dialectical materialism and historical materialism are the ideological weapons of the proletariat and of the era as well. Have some comrades not said that they want to engage in ideological modernization? They must have a good grasp of this weapon. So long as they have a good grasp of this weapon, they will find it easier to cope with the difficulties arising in socialist modernization and economic structural reform as well as in the work concerning construction and other reforms.

Now there is a view which regards the study of the fundamental theory of Marxism-Leninism as being conservative or opposing reforms. This view is basically a misunderstanding. If we had not used Marxism-Leninism to analyze our problems, how would it have been possible for us to suggest the carrying out of economic structural reform? In which direction would our reforms have developed if we had deviated from the guidance of Marxism-Leninism? At the National Conference of Party Delegates last year, Comrade Deng Xiaoping said that "reforms are the self-consummation of the socialist system." Reforms require the guidance of Marxism-Leninism, and problems in reforms should be studied and solved according to the basic principles and method of Marxism-Leninism. How can we set reforms against Marxism-Leninism? As to interpreting the study of Marxism-Leninism as being conservative, this is, basically, also a misunderstanding. In terms of its essence Marxism is critical and revolutionary. Marxist materialist dialectic maintains that all matters in the universe are in contradiction and never stop moving, they would end if they stopped moving. People in ancient Greece said that the same person cannot jump into the same river twice, as the river water never stops flowing. The affirmative explanations of materialist dialectics on things simultaneously contain negative factors. Therefore, according to materialist dialectics, not only will the capitalist system and the bourgeoisie become extinct, but the proletarian state and the proletariat will also die out. Mankind will enter communist society through socialist society, and communist society will have to develop further. How can we say that Marxism is conservative and opposes reforms? Only communists with a good grasp of Marxism really understand that society needs to make constant changes and continuous progress and that the purpose of building the proletarian party and the proletarian state is to finally eliminate this party and this state so as to enter a classless communist society.

Marx held that man transformed his subjective world in the course of transforming the objective world and that only through transforming the objective world could he fundamentally transform his subjective world. In this respect, the founders of Marxism set us a good example. Following the development of social practice, they corrected their mistakes and made additions to their work. Take the famous "Communist Manifesto" as an example. There are many prefaces to this great work, several of which point out that some parts should be revised. For example, the German edition of the preface published in 1872 said that on the whole, the general basic principles explained by the manifesto were correct but that some detailed measures contained in the basic principles could vary according to historical conditions in a given period. This did not bear any special significance. If this passage were to be written now, the wording would be very different in many aspects. The most important point is the experience of the Paris Commune, that is, the working class should not simply take over the existing state machine and use it for its purpose. Therefore, it was inadequate for the manifesto just to mention the necessity for the seizure of political power by the proletariat; it should also point out that the proletariat must smash the old political power and establish proletarian political power. As Lenin said, this was a fundamental revision of the manifesto.

Lenin inherited and developed Marxist theory. Discovering that the role of the law of the disequilibrium of capitalist development had further strengthened in the period of imperialism. Lenin negated Marx' old conclusion that victories in the proletarian revolution could be simultaneously achieved merely in main capitalist countries, and replaced it by the new inference that victory could be achieved in one country, which guided the Russian proletariat in successfully staging the October Revolution and founding the first socialist country.

Comrade Mao Zedong established the theory of the new democratic revolution and led the Chinese people in overthrowing the reactionary rule of the three great enemies and in founding the PRC. The theory of the new democratic revolution was not copied from Marx' or Lenin's works but was a major development of Marxism-Leninism in line with China's conditions and revolutionary practice.

From the above facts we know that Marxism-Leninism is revolutionary and not conservative, and is developing and not rigid. Of course, if we take a dogmatic attitude toward Marxism-Leninism, divorce it from practice, do not study and solve problems according to actual conditions, and merely memorize conclusions and formulas, our minds will really become rigid and lag behind the development of the situation. Founders of Marxism opposed such an attitude toward their theories. In fact, mouthpieces of the bourgeoisie and their theories are conservative and rigid. The seemingly fresh and fashionable bourgeois ideological trend is protecting the current capitalist order. Even outstanding figures among early bourgeois thinkers, such as political economists Adam Smith and David Ricardo, maintained that the capitalist system was eternal and unchangeable.

Marxism-Leninism should and will inevitably undergo constant development. Marxism-Leninism is revolutionary thought. It will continuously develop with the expansion of production, the progress of science and technology, and the development of revolutionary movements and socialist construction.

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REFLECTIONS ON CURRENT ISSUES IN LITERATURE AND ART

Beijing RED FLAG in Chinese No 6, 16 Mar 86 pp 7-11

[Article by Hu Cai [5170 6846]; capitalized passages published in boldface]

[Text] The principal aspect of our literature and art situation is fine. A great number of new faces and new works have emerged and fairly remarkable achievements have been scored in this regard. A lively atmosphere in thinking is prevailing in the academic community. If we keep on this road, our literature and art undertakings will thrive further. This is one side of the coin. Meanwhile, it must be noted that there are some worrying and perplexing developments in our life and literature and art work.

Most of the developments are connected with the unhealthy practices in society and some result from unhealthy elements existing in the literature and art circles. In the final analysis, these unhealthy tendencies and problems in the literature and art sector have a thousand and one links with the unhealthy practices in society.

Recently, with the CPC Central Committee taking up the matter directly, leaders at various levels have enforced specific measures. Consequently, the healthy ideological trends in society as a whole and the healthy forces in society's media have continued expanding and the unhealthy practices have considerably been curbed, and things are moving along the track of vigorous and healthy development. Of course, being curbed considerably does not necessarily mean that unhealthy practices have been corrected thoroughly. The struggle between healthy and unhealthy elements in the ideological and literature and art fields can hardly be solved thoroughly without making an effort. We must approach this issue from a long-term point of view.

The ideological situation in our academic circles is characterized by lively thinking. This is a good development. Nevertheless, is there occasionally some confusion in this enlivened situation? To open the country to the outside world, to make explorations, and to start new undertakings, we are unable to avoid suffering setbacks and delays. What is important is that we should constantly sum up our experience, do more research, conduct practical discussions, and clarify confused ideas through discussion. We must not make hasty decisions on academic and ideological matters. However, it is also undesirable to stay at the level of each of the two quarreling parties claiming to be right and to endlessly squabble over matters already clear to all.

Here I would like to discuss two questions of vital importance concerning the current issues in literature and art and I hope they will serve as a reference for our comrades.

THE FIRST IS THE QUESTION OF OUR BASIC UNDERSTANDING AND STARTING POINT IN CONSIDERING, DISCUSSING, AND STUDYING PROBLEMS.

People have different opinions on many issues. The reasons behind this state of affairs are no doubt very complicated. Therefore, we must not approach them summarily. However, the reasons for the different basic understanding and starting points from which we reflect on and study problems are more of significance. For example, if you criticize some bad tabloids and pornographic videotapes as disturbing elements with harmful social effects, those criticized will say they are thinking about the interests of the readers and working to meet the new demands of the masses of people and to make literature and art works easier to understand and more popular. Therefore, they criticize you in turn as sticking to "leftist" absurdities and assuming an aristocratic attitude toward the people's new demands and toward newly emerging things. From this we can see how vast the difference is in people's basic understanding in examining and discussing problems.

What I have mentioned above is just one example. People's opinions on a few academic and theoretical issues relating to literature and art as well as ideology are even more diverse and confused. It is not strange for people to have differences of opinion. First, we criticize the practice of both parties claiming to be right precisely for the sake of safeguarding the spirit of being serious in holding firm to the truth and distinguishing right from wrong and of opposing the subjective and one-sided work style in which both quarreling parties are engaged in endless wrangles and each sticks to his own argument, a style which often leaves problems unsolved for quite some time, rather than totally oppose the practice of airing views freely or still less demand that people rashly discard the above-mentioned spirit. Second, in criticizing the practice of both quarreling parties claiming to be right, we mean that we must consider, from an overall and cardinal point of view, the significance of the issues debated endlessly by both parties and the correctness of attitude, viewpoints, and methods adopted by them while discussing problems rather than indiscriminately dismiss both sides' arguments as something totally irrational.

Generally speaking, in real life, differences of opinion are unavoidable. The emergence of some differing opinions is of positive significance in developing people's ideology and understanding. What counts here is that we must strive to seek common ground and a basic consensus on the basic understanding and starting points in considering, studying, and discussing problems. This will help us more easily acquire a common language in discussing specific problems.

There are numerous diverse opinions and propositions or several schools of thought which have or have not yet taken shape in the current literature and art and ideological spheres. Faced with this reality, as Marxist-Leninists, first, we must recognize the existence of these new conditions and new things and that every objective thing in our real life has the internal bases for its very existence and, second, we must use the Marxist-Leninist stand, viewpoint, and method as well as the dialectical materialist and historical materialist stand, viewpoint, and method to correctly approach and conscientiously analyze and study these new conditions, new things, and new problems in the way of seeking truth from facts. The more complicated the situation is, the more determinedly we should uphold the banner of Marxist theory. For some time in the past, buffeted by some ideological trends, it seems, in the eyes of some people, that the banner of Marxism is out of fashion and drab, and hence, it should be furled. This view is quite wrong. Since Marxism-Leninism is the ideological and theoretical foundation with which our party, state, and revolutionary people carry out the revolution and construction, how can it be furled? It will not serve our purpose for us to furl the banner. It is better for us to let it itself prove its inexhaustible vitality and combat effectiveness in the trials of a new struggle. Of course, this means relying on the ideological, theoretical, and logical strength of Marxism-Leninism and on its scientific spirit of proceeding in everything from actual conditions and seeking truth from facts rather than resorting to the oversimplified and vulgar practice of sticking on labels. Only by studying, analyzing, and solving the new conditions, new things, and new problems facing us can Marxist-Leninist theory be appropriately developed. To the numerous sophisticated developments and problems facing us in the present stage, our answers have been unsatisfactory or unconvincing so far for the reasons have not been thoroughly stated. Who is to blame? We and we alone are to blame for our inadequate understanding of Marxist theory and our failure to grasp the living soul of Marxist-Leninist theory and to gain a thorough understanding of the existing developments and problems and we should refrain from blaming Marxist-Leninist theory, asserting that it does not work of itself. The development and enrichment of Marxism-Leninism depend, first, on its combination with the rich and complex social and literature and art practices and, second, on its constantly absorbing scientific nourishment from the new achievements scored in the ideological and scientific and technological spheres. In the study of literature and aesthetics, in recent years people have attempted to derive nourishment from the study of "the three theories" (information theory, systems theory, and cybernetics) so as to supplement and improve or enhance their abilities. The research efforts by quite a few comrades which have already been crowned with achievements are of positive significance. Of course, this does not mean that everything is going flawlessly with them. As the advocates of "the three theories" pointed out, in introducing the theories into the study of literature or the aesthetic sphere, the study and analysis of specific problems and the assimilation of related theories are inadequate and some theories have been applied mechanically and uncritically. In my opinion, in studying this problem, we must correctly handle the status and relationship between Marxism-Leninism and related academic propositions and thought. First, we must definitely and willingly study matters relating to academic thought and schools of thought with Marxism-Leninism as our guiding ideology and, second, we must consciously observe and study the objects of our scientific research and the theoretical achievements in science and technology by taking the development and enrichment of Marxism-Leninism into account so as to gain practical results in deriving nourishment from assimilating them.

The literature and art work in which we are engaged, including literature and all art forms, in the final analysis, is socialist in nature, no matter how the situation changes or develops. Our activities in literature and art creation are aimed at promoting the prosperity and development of socialist literature and art. Literature and art, ancient and modern, Chinese and foreign, naturally have their similarities. However, socialist literature and art still have something different from the literature and art of other classes and in other social formations. Socialist literature and art have their own qualitative regularities, as people usually say. They are of great importance. In dealing with economic reforms, Comrades Deng Xiaoping and Chen Yun pointed out: The purpose of our reforms, no matter what forms are adopted, is to build socialism successfully. The essential point they discussed here is just the qualitative norm or the general orientation of our reform and construction. We cannot say that everybody already has a very clear picture of the general orientation. In a speech, Comrade Hu Yaobang used the word "confusion" to describe the mental outlook of some people. This merits our great attention. After watching our frivolous so-called literature and art performances, some foreign guests who were very friendly to us made sincere criticisms and said with emotion that things like that should have not been staged in great China. In capitalist countries, things like that are despised by honest, proper, and straightforward literature and art organizations. Some of our comrades regard the emergence of things like that as a punishment for the "leftist" policies pursued in the past. This view is not totally without reason. However, as Marxists who have lofty ideals and pursuits, we must refrain from going to extremes, running counter to the general orientation of socialism, undermining the basic quality of socialist literature and art, and from hindering the normal progress of the building of socialist spiritual civilization.

SECOND IS THE QUESTION OF AESTHETIC THOUGHT AND AESTHETIC TEMPERAMENT AND INTEREST AND OF THE REVELATION OF THEMES IN LITERATURE AND ART CREATION.

The life we face is complicated and this is true of the people we face. Therefore, it is permissible to reflect, in one's works, the complicated facets of life and to depict people of all types and with complicated personalities, the complicated relations between such people, and their complications. If we fail to depict these complications, it would be difficult to reflect the richness of life in our works. However, we must not seek complication for the sake of complication. We can still find the basic developmental orientation of life, no matter how complicated it is. A man or a thing, no matter how complicated his personality and conditions are or no matter how complicated it is, has his own or its own essential aspects. Depicting complicated matters is not our purpose. Our purpose is to seek and reflect the things in our life which are of a developmental nature and to seek and reflect the essential aspects of a man or a thing through diverse complicated phenomena.

In some fairly good television plays, I found, undue importance is attached to the complex nature of their plots; the relationships of their characters arbitrarily overlap; and interludes are stressed excessively. This affects the profoundness of their plots and even the soundness of the ideological contents of the whole work. A complex plot in a television play is needed. However, it should be worked out in line with the need of the whole work and from a literature and art vantage-point. The plot of a literary work should be refined from literary raw materials gathered from life selectively.

In recent years, it seems that the representativeness of literature and art work has been stressed less. The great significance of the representativeness should not be overlooked. Of course, we must not approach this problem too simply and metaphysically. In particular, we must not pursue the pattern of creation which stresses one model for one class, because the practice is a distortion of Marxism-Leninism and Engels' expositions on models. At present, of our literature and art works, those which depict the peasants are not rare. There is no hiding the fact that the peasants have their own complications and backward features. How should these backward features be reflected in literature and art works? From what point of view and to what extent should they be depicted? It seems that this involves a problem of appropriateness and of attitude. The argument that all real things in life can be reflected in our literature and art works is oversimplified. What is reflected and depicted in our literature and art works must be real but not all real things in our life can be replanted into our works indiscriminately. It is undesirable and wrong to depict the people by means of exposing them. Of course, the people's shortcomings and weaknesses can be reflected and criticized in our works. The point of departure in doing so is to overcome them. Lu Xun depicted the shortcomings of people in old China (including Ah Q) from a point of view of "indignantly denouncing them for not trying to make a good showing." Sometimes, he did so satirically. However his satire was also full of passionate feelings. In some of our present-day outstanding works, in depicting the people's shortcomings or weaknesses and some negative aspects or elements in their life, with a view to urging people to draw lessons therefrom, our writers also depict the beautiful aspects deep in the people's hearts, which will help people become forward-looking in light of the realities in life and the actual needs of their works. Coming to this point, we have to note that in some works, in depicting the peasants' backward features and shortcomings, such things as primitive cruelty, beastly behavior intolerable to the eye, revengeful killings, and reprisals are excessively played up. The stimuli brought by this kind of work to the readers' senses and souls are extremely repulsive. It is really distressing to read such literary works. From here we can see how important a position the starting point and basic understanding of a socialist writer or artist occupy in their literature and art creation. What we are engaged in is socialist literature, which, in the final analysis, is a literature with lofty ideals, beliefs, and pursuits. They are contained in the complicated life and things and in people with complex personalities. What counts here is that our writers and artists must have the foresight, breadth of vision, and ability to know how to discern, through complicated lives and things, and people with complex personalities, the forces which can really be considered ideals, beliefs, and pursuits, and to know how to discern and reflect the beautiful aspects of the people (including those deep in their hearts). This is not only the glorious mission of our contemporary writers but also a fine accomplishment and quality indispensable to the people's writers.

Assuming legacies and creative work are an oft-discussed old issue. However, once it is combined with rich and complex practice, it will constantly be imbued with a new meaning. People can hardly avoid the problem of assuming legacies and creative work, be they writers and artists or theoreticians or be they ideologically clear about the problem or not. What counts here is that the relationship between the two must be handled satisfactorily.

The relationship between assuming legacies and creative work is dialectical. We must not pursue the practice of assuming legacies for the sake of assuming legacies. Assuming legacies is in itself not a purpose. The reason we attach importance to assuming legacies is that assuming legacies falls into the category of basic work and that only when the problem is settled properly can we suit the needs of the new situation and new conditions and can we create the works which genuinely embody the creative spirit for the new era and the new masses of people.

As far as Shaanxi is concerned, in discussing the problem of assuming legacies and creative work, apart from its general implications, we have another problem to face, that is, we must proceed from the province's actual conditions. In literature, the writers of the older generation represented by Liu Qing have done well in this regard. They have derived a lot of nourishment from famous works, ancient and modern, Chinese and foreign, inherited their fine traditions, and carried forward the revolutionary literature and art traditions since the May 4th Movement. Particularly under the guidance of the party principles and policies and of the spirit of Comrade Mao Zedong's talk at the Yanan Forum on Literature and Art, they participated in the revolutionary war and the fiery struggles of the masses and have produced works that reflected life in the great era. Their works have had a tremendous impact on the readers. They have naturally constituted an organic component of the legacies which our contemporary young and middle-aged writers should assume. Some of them have done so in reality. Of course, history is always in a process of constant development and change. Under the then specific conditions, the writers of the older generation personally participated in the revolutionary war, land reform, and the fiery struggles of the masses and they depicted and reflected life during that period in their works. Compared with the life during that period, the life we are living today and the life reflected in our works, including our writers' lifestyles, are vaster in scope, more complicated in nature, and more diverse in form. In the face of the new situation, new conditions, and new problems, we must consider and try to find our strong points and inadequacies in the question of assuming legacies and creative work. The writers of our older generation are quite familiar with the realities of life, have extensive knowledge and a profound understanding of life, and share the comforts and hardships of the masses. They have a sound mastery of Marxism-Leninism and are highly accomplished artistically and, moreover, they have put in a lot of labor and made great achievements in portraying typical characters. All these strong points of theirs are well worth learning and inheriting. We must strive to overcome our weaknesses in plunging into the thick of life and reflecting on its meaning. Some works lack a sound reflection and artistic distillation of life; their themes and contents are loosely linked with the pulse of the times; they are limited in artistic scope and plane; and they have an inadequate description of thoughts and feelings and an inadequate refinement in portraying the typical characters of the new era. In the future, only when the vision of the writers on matters relating to life, ideology, and art is vigorously developed both in breadth and depth can the problem of creative work in artistic creation be quite satisfactorily solved.

The works of quite a few writers are good, with their ideological and artistic quality relatively stable. They have been well received by the readers. However, there are also exceptions. Sometimes, a sudden slip in the thinking of the writer, buffeted by a certain trend of thought, may cause him to fall sharply from the ideological level which he has adhered to for years in his works and yield to the trend. The reasons behind the fall in the ideological and artistic levels are multifaceted. One of the important reasons is that the writer has not taken root firmly among the masses. If he immerses himself among the people in terms of life and ideology, has profound knowledge and penetrating insight about life, and if what he thinks out carries weight, he will not easily be affected by any "trends of thought" and not easily waver in the face of the wave of any sort of ideological trends.

Once I happened to have the opportunity to see the films "Tan Sitong" and "Biancheng" which were shown in succession in the same cinema. After the show, while walking out of the cinema, some people were commenting on the films, asserting that by comparison, people could easily see which was better. "Tan Sitong" was too stirring and too serious and though simple, the story of "Biancheng" was full of implications. Their talk gave me much food for thought. I think the people involved in the discussion just expressed their perceptions of the films without giving too much thought to them. However, we cannot say that their perceptions do not contain anything of their own aesthetic views and tastes. Moreover, they are also a reflection of the views of a section of people. As an amateur in cinema arts, I think the two films are well made and at least they can be considered A-minus and B-plus ones. The difference between them, if any, is manifested in the choice of themes and the unique artistic styles of their directors. In the question of theme and style, we must adhere to the principle of diversification. As far as flowers are concerned, a single bloom is hard to appreciate. The question of "being stirring and serious" or "being simple" involves a matter of theme and style. Then, can we deny the use of a vigorous style in producing works with earnest themes about life in the boundless universe just because some themes are good for a simple style?

In recent years, in the study of literature and art creation and the work of literature and art criticism and on matters relating to aesthetic appreciation, some people have advocated the principle of delicacy, simplicity, and classic elegance and others the principle of peacefulness, long-lasting interest, and delicacy. If the principle of delicacy, simplicity, and classic elegance refers mainly to artistic style, then how should we approach the artistic styles other than or contrary to it? Do we still need them? If the principle of peacefulness, long-lasting interest, and delicacy refers to the question of both theme and style, this will involve more sophisticated problems. In our diverse, rich, and complicated real life, the course and rhythm of life are both peaceful, interesting, and delicate and vigorous, throbbing, and bustling. The vigorous, throbbing, and bustling life not only exists but it can also be found everywhere around us. In understanding life and literary creation, we must stress that whether in their thoughts and feelings or in choosing and handling the themes of their works as well as exploring new artistic styles, the writers must ensure that their works will not lead the readers to get away from reality, the pulse of the times, and from the life bubbling over with the drive for the four modernizations.

For some time in the past, in our literature and art creation, we have appreciated more works depicting the beauty of the landscape, such as the flowing of small rivers and the ringing of spring water. This is not bad at all, because they are part of the realities in life. Moreover the works have a special lasting appeal of beauty. The point at issue is that the vigorous social life and the contradictions or conflicts sparked in real life have thus been neglected and treated lightly and the mighty momentum and imposing beauty of the themes about the vigorous and fast-moving life which is like the waves of the Chang Jiang running high and vigorous artistic styles have also been doubted. This view is apparently wrong and one-sided. Real life is spectacular. Therefore, in our literature and art creation, our themes and styles should also be multifarious. All methods or means of literature and art creation, be they practical, historical, socialist, patriotic, forceful, gentle, realistic, or romantic, should be welcome and used and, moreover, they should be encouraged to flourish in our vast socialist fields of literature and art creation so long as they are conducive to enriching and developing our socialist literature and art and conducive to accelerating, developing, and strengthening our socialist four modernizations program.

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IN ARTISTIC CREATION IT IS NECESSARY TO GIVE PRIORITY TO SOCIAL BENEFIT

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[Article by Ding Zhenhai [0002 2182 3189] and Li Zhun [2621 0402]]

[Text] Giving priority to social benefit in the correct understanding and solution of the relationship between social benefit and economic results in literature and art creation departments is important for the healthy development of socialist literature and art undertakings. It is a very conspicuous and serious topic facing literature and art circles, publication circles, and the entire ideological and cultural field. We should like to air some of our views here.

I

We believe that the so-called social benefit of literature and art is relative to the economic results for the creator of a literary or artistic work and all departments concerned, and the stress is on the social benefit, that is, the ideological and aesthetic value and role of the product to society--the readers or the audience. Should economic results in the production of literature and art also be taken into consideration? Generally speaking, the answer is yes, but in what realm and in what sense the economic results in the production of literature and art should be acknowledged is a topic worthy of study.

Marx said: "All products of art and science, including books, paintings, and sculpture, should be counted as material products since they take a material form." ("Collected Works of Marx and Engels," Vol 26, Part I, p 165) When a literary or artistic work is produced, it needs to be "materialized" and "duplicated" in a certain material form if it is to be spread among the masses and directly possessed and appreciated by numerous readers, listeners, or a large audience. With the science and technology level upgraded and the number of people appreciating literary and artistic works ever growing, the majority of literature and art products as an ideological form can be duplicated in mass production, such as the production and duplication of books of literature and art, musical records and tapes, and film copies. As activities in material production, this process of "materialization" and mass duplication involves strengthening production management, conserving human, material, and financial resources, and raising labor productivity. When such literature and art works enter into the circulation realm in the form of commodities, books and magazines of literature and art in the bookstores, musical tapes in music shops, and film copies in the movie companies, all acquire value and use value. Customers will buy them for a price. In this sense, they are commodities. The general requirements for commodity circulation (open channels, increased marketing, and economic income) are likewise suited to them. The materialization of literature and art as a specific type of commodity production undeniably involves "economic results," whether in the course of production or exchange.

However, when we are studying the characteristics of material production and its commodity aspect in the phase of "materialization" of literature and art products, we should not neglect the social ideological aspect of these works, which is more essential for spiritual production in creation. Concerning literature and art products, their prices as commodities are usually based on the consumption of materials and animate labor in the phase of "materialization"; however, such labor consumption is only a material vehicle, and cannot determine their essence as spiritual products and the social benefit generated after they are sold. For example, if the labor consumed in the printing of a good book and an inferior one of the same number of pages is about the same, their prices on the market are generally the same. However, there is a world of difference between them in their value as spiritual products, and the difference between them in social benefit is wide.

Literature and art works as spiritual products satisfy people's spiritual needs with their peculiar ideological content and aesthetic value and play their role in society. Therefore, what determines the true essential value of literature and art works and their social effect is not their material aspect, but their ideological connotation and aesthetic value.

How do ideological content and aesthetic value, which determine the true nature and social effects of literature and art, come about? They are determined by the unique creative labor of the writers and artists in the stage of creation. This is a kind of spiritual labor which is creative and not done in a set pattern. It embodies the life experience and artistic accomplishments of the writers and artists. It is the crystallization of thoughts, feelings, and artistic accomplishment. The value of such labor is very difficult to calculate in necessary social labor time, and the more so to demonstrate in terms of money. Therefore, regarding the spiritual labor which determines the value, nature, and social effects of literary and artistic works, the requirements for material production and the principles of commodity exchange are not suitable in this decisive stage of the whole of art production. Marx hit the nail on the head by pointing out that art production "conducted for sheer exchange is sheer commodity production," and "an expression of capitalism in the realm of nonmaterial production." ("Collected Works of Marx and Engels," Vol 26, Bk 1, p 442) To socialist writers and artists, literature and art work can only be conducted based on the requirements of socialist spiritual production and the laws governing literature and art. The pursuit of good social benefit, namely, elevating people's mentality and satisfying people's healthy aesthetic needs, should be regarded as the sole criterion. If literature and art creation is conducted based on the patterns of material production and the principle of commodity exchange, it will not only lead to the basic loss of the nature of socialist literature and art, but will not be accepted by progressive writers.

At present it is extremely important that our writers, artists, editors of literature and art publications, and publication and distribution departments correctly differentiate between the characteristics of material production and commodity quality in the process of "materialization," and the essential characteristics of literature and art works as the ideological form and aesthetic mode of a certain society and times. On the one hand, once it is decided to produce a specific piece of literature or art, things must be run based on the requirements of the law governing material production (lowered costs, ensured quality, upgraded technology, and labor productivity). The law of commodity value must be taken into account in the process of the work's "materialization" as well as the process of its entering into the circulation realm as a commodity. On the other hand, the crux of the question lies in what ideological content and artistic value the work to be produced and "materialized" possesses. The formation and socialization of the ideological content and artistic value of literature and art products, or the creation and publication of literature and art works, entirely depend on the writers, artists, and editors of the publication departments. As we often say, it is imperative to be vigilant and to guard against the intrusion of the principle of commodity exchange into the realm of the party's political life under the new situation of reform of the economic structure and developing socialist commodity economy in a big way. Socialist literature and art workers should never let the principle of commodity exchange intrude into the solemn and sacred hall of creation. If our writers, artists, editors, and publishers should focus their eyes on the "commercial value" of literature and art products and fail to see the role of socialist literature and art in the ideological education and spiritual cultivation of the masses, it would lead to writers and artists becoming businessmen and the complete change of literature and art products into commodities. Haven't the negative phenomena emerging in the literature and art circles, the publication circles, and the cultural market provided enough evidence in this respect?

II

In understanding and solving the relationship between the economic results and social effects of literature and art products, it is necessary to grasp the dialectical unity, or the "unity" and "disunity," between the two. Making social effects diametrically opposed to economic results or regarding the two as naturally and completely united under whatever circumstances and conditions are both one-sided and metaphysical views. Concerning the basic nature of all literature and art undertakings in China, our literature and art production is conducted under the guidance of the general principle of serving the people and socialism, which aims to meet the ever growing cultural and spiritual needs of the people. Generally, those literature and art products with ideological content and artistic value genuinely well combined will be welcomed and cherished by the people, showing the unity between social effects and economic result. For example, statistics show that the novelette "Wreath at the Foot of a High Mountain," displaying the patriotism and heroism of contemporary soldiers, has a distribution of 1.47 million copies; and the novel "House No 5 on Garden Street," reflecting the four modernizations and urban reform, sales of more than 200,000 copies, and is now on the list of the 10 best-sellers of Xinhua Bookstore. Therefore, the view of making social effects diametrically opposed to economic results is one-sided. Moreover, we can predict that with the ever improving living standards, spiritual and cultural attainment, and aesthetic power of the masses, works of serious and healthy ideological content and high artistic value will inevitably continue to expand in effects and roles, and the volume of their distribution or box office will go up. This means that the social effects and economic results of literature and art products will inevitably take on the general trend of becoming more and more united. The view that the masses are entitled or only want to read vulgar or inferior works of literature is actually underestimating the artistic appreciation level of the masses, and shows a lack of confidence in the vitality of socialist literature and art.

However, we must also see that the concept of the masses is a very general one. Among the masses are the advanced, the middle-of-the-roaders, and the backward. Various differences exist in their degrees of civilization, cultural attainment, and appreciative level (such as being high or low, liberal or conservative, healthy or vulgar in these areas). These differences lead to diversified requirements in spiritual needs and different aesthetic tastes, thus resulting in a certain disunity between the social effects and economic results of literature and art products. For example, we have many excellent works such as the TV series "Four Generations Under One Roof," which is good in both ideological content and artistic value, suits both refined and popular tastes, and is loved by the masses. It is not uncommon for some works and art performances to attain both ideological content and artistic value or attempt some new and higher aims, but the circulation or box office has not been ideal. This is what people often describe as "being too highbrow to be popular." On the other hand, some works which are not very good in ideological content or artistic value may become best-sellers and popular for a time because of their being easily grasped, interesting, and amusing, or because they cater to the unhealthy interests of certain audiences. This reminds us that we must fully understand the complexity of the question when studying the relations between social effects and economic results of literature and art works. We must persist in the principle of making a concrete analysis of concrete conditions and refrain from taking a naive and one-sided view and thinking in terms of absolutes. At present attention should be attached to guarding against the erroneous trend of exaggerating the commodity quality of literature and art products and taking economic results as the major criterion for judging the quality of work and the accomplishments of literature and art and publication departments.

There is a view that large circulation or box office of a piece of literature or an art work proves that it is popular with the people. If it is popular, doesn't this prove that its social effects are great and its social benefit good? We believe that such a view has confused social effects with social benefit, which fall into two separate categories.

First, we must acknowledge that Marx' inference that "commodities will have use value only when they have realized their exchange value" ("A Contribution to the Critique of Political Economics," p 27) is also applicable to literature and art works in terms of their function in the form of commodities. This is because under the social conditions when the majority of spiritual products are circulated in the form of commodities, if a literature or art product is to have use value and to exert its ideological and aesthetic influences on the readers or audience, it must first realize its exchange value and there must be people who are willing to pay for it. If it should fail to realize its exchange value, not achieving a minimum circulation or box office, without much of an audience or appreciation, it would mean that its ideological content and artistic appeal will have no way to exert realistic influences on the readers or audience, not to mention any social benefit. Vice versa, if a work is becoming more and more popular, its ideological content and artistic appeal will play a greater and greater role in society and its realm of influence will become larger and larger. Thus we can see that under the premise of ensuring the correct direction of artistic creation, attaching attention to the realization of the exchange value of literature and art products, namely attaching attention to the economic results of literature and art products, will promote the realization of the ideological content and aesthetic value and enhance the positive social benefit of literature and art creation.

At the same time, we must also see that the box office value of literature and art products can only show the social effects of literature and art works, but cannot guarantee that such social effects are healthy and positive. Therefore, regarding the rather high box office value of literature and art products, or a large circulation and box office, it is necessary to make a concrete study of what nature of the needs of the readers or audience is satisfied, owing to what taste in which category of readers or audience it is made popular, and what nature of social effects it has exerted. Obviously, regarding literature and art creation or performances that are inferior or vulgar in ideological content and artistic value, the greater the circulation or higher the box office, the greater are its negative social effects. Of course, the crux of the question does not lie in economic results themselves, but in the prerequisites for realizing them. If the ideological content and artistic quality of literature or art product is good and the greater are its economic results, this is good. This is because it simultaneously shows that literature and art have played a great role in exerting positive social effects. But if the prerequisites are incorrect, the work will be no good, no matter how great its box office or its economic results. This is an important reason why we must persist in putting social benefit in the first place when a contradiction comes between social benefits and economic results of literature and art products.

III

When we stress the social ideological nature and aesthetic quality of literature and art products, that social benefit must be put in the first place when a contradiction comes between social benefits and economic results does not mean that no consideration should be given to the role of economic factors in literature and art activities or that the application of economic means can be neglected and rejected in literature and art undertaking. The development of literature and art creation is inseparable from certain economic conditions and means. As an aspect of management, economic means is not just economic investment and accounting, but includes how to deal with the material treatment and reward system for literature and art creators, as well as other aspects such as the policy of taxation on literature and art works and economic awards and penalties. In the leadership and administrative work of literature and art in particular, whether the economic means is correctly applied will inevitably play an important role in and exert good effects on the development of literature and art. Here the question does not lie in whether economic means should be adopted, but under what ideological guidance, and how economic means should be applied.

Social literature and art encourage variation in literature and art creation. The writers enjoy full freedom of creation in choosing their subject matter. However, socialist literature and art do have some requirements and advocations for subject matter and contents. According to Comrade Zhou Enlai: "A balance is generally required in the subject matter of literature and art." ("Selected Works of Zhou Enlai," Vol 2, p 338) How are we to achieve this? Of course, we should first strengthen the sense of socialist responsibility and the sense of the mission of literature and art workers, so that they may consciously and willingly link their thoughts and feelings with rejuvenating the Chinese nation and the magnificent cause of the four modernizations, and so their literature and art creation may keep abreast with the times. But we should also see that the appropriate use of economic means may to some degree promote the correct direction of literature and art creation and the spirit of the times. In March 1979, Comrade Deng Xiaoping stated: "Our comrades on the ideological and theoretical front must quickly organize their forces and draw up plans to fill the vacuum in the shortest possible time by publishing a series of articles and books, including readers and textbooks, new in content and ideas and presented in fresh language--in other words, works that will carry weight." He proposed: "I also suggest that the authors of really good books and articles be awarded monetary prizes by the party and government, so that the work in this sphere, which is seemingly routine bu actually very demanding, is given due recognition." ("Selected Works of Deng Xiaoping," p 166) Although this is not a requirement specifically proposed for the literature and art field, it doubtlessly contains literature and art creation and criticism. In other words, so long as the guiding ideas are correct, the use of economic means will promote the emergence and increase of good works.

As we know, the process of formation and realization of literature and art is a complicated process requiring creation-editing-publishing-printing (or other forms of "materialization")-and distribution. When we use economic means to promote and to encourage fine works favorable to the building of socialist spiritual civilization, we should not only give necessary material encouragement to the creators of literature and art products, but also decide on awards through discussion or material encouragement in other forms for those collectives or individuals of the editing, publishing, printing, and distribution departments. Necessary subsidies and preferential treatment in finance and taxation should be given to the publishing, printing, and distribution units involved in the production of good works of literature and art. At present, the tremendous difficulties in the publication of good books and journals of literature and art usually lie here. They should be solved as quickly as possible.

In the process of regulating literature and art production by using economic means, both awards should be given to good works and penalties given to inferior ones. In this respect, things that need be and can be done are many. Regarding individual literature and art products running counter to the four cardinal principles and propagating bourgeois liberalization, and those pernicious spiritual products stirring up base passions, they should, of course, be banned by adopting strict measures based on the stipulations of the law. As a whole, such works account for a very small percentage. What are now published and distributed in huge volume and causing problems in social effects are mostly some vulgar works of low taste, written in a rough and slipshod way. How can we change such a situation? Such works should be restricted by using economic means and education among relevant literature and art, publication, and distribution workers to raise their consciousness in building socialist spiritual civilization. For example, heavy tax should be levied on the economic income of the editing, publication, and distribution departments of such works (as different tax rates are applied to the income of material products of different nature, why shouldn't the same measure be applied to spiritual products of different categories) and necessary price rises be enforced on the expenditures of such works in printing, paper, and distribution. The spread of such vulgar literature and art works is still beyond control despite the fact that they are banned at present. An important reason is the lack of necessary economic restrictive measures. Departments and units publishing and operating in areas know very well the application of economic means; for example, the use of high rewards for writing and editing and high profits to stimulate the production, publication, printing, and distribution of works of this kind. Obviously, if we adopt effective economic means so that the creators and operators of such inferior literature and art works may gain very little economically, it will be possible to check the craze for vulgar literature and art to some degree.

IV

Based on the foregoing analysis, we find it is not difficult to see that the persistence in putting the social benefit of literature and art works in the first place is a rather complicated topic. It is the sacred duty of the literature and art field and a solemn requirement for the whole society. It requires us to study the production, distribution, exchange, and consumption of literature and art products as an integral system, and the condition of every part of the mechanism which will exert effects not to be neglected on the movement of the entire system. This also means that it is a complicated, arduous, and systematic project requiring the cooperation of many areas to form a complete set for comprehensive correction. It is not difficult to imagine that so long as every department and every link involved in the production and circulation of literature and art production ensures a green light at every level for good works and a red light for inferior ones in a down-to-earth way, many "long-standing, big, and difficult" problems will not be too difficult to solve, and the atmosphere of literature and art circles will turn for the better rather quickly.

Writers and artists are the direct producers of socialist literature and art products. It is of decisive significance whether or not they always regard social benefit as the sole criterion for their creative abilities. We know that even in feudal and capitalist societies, writers and artists who made accomplishments and had some goals always put the ideological content and aesthetic value of their works in the first place. Marx praised: "Milton wrote 'Paradise Lost' out of necessity, just like a silkworm has to spin its silk. That was an active expression of his nature." He compared the silkworm's case with "the 'production laborers' who were writing on the order of booksellers." ("Collected Works of Marx and Engels," Vol 26, Book 1, p 432) Here, the metaphor "a silkworm spinning silk" was appropriately used to imply the arduous and lofty artistic pursuit of the writers and artists.

If we say progressive writers and artists in the old society and old times were able to free themselves from the bondage of money to some degree and to take some lofty spiritual purpose as the starting point and end of their creative activities, then it should be all the more so for socialist writers and artists who take the creation of socialist spiritual civilization and becoming "architects of the human soul" as their own duty. We should say this is the duty of socialist writers and artists and their honor and happiness. With such an ideological height and mental state, our writers and artists will be able to resist the interference or temptation of money worship and unhealthy tendencies of whatever description. Thus, putting social benefit of literature and art products in first place will be basically ensured.

All departments and links involved in literature and art production have the important responsibility of persisting in putting the social benefit of literature and art products in the first place. As mentioned above, writers in our socialist country certainly enjoy full freedom of creation, and they can decide for themselves "what to write" and "how to write." However, the editorial departments of our media must have some choice in what and what not to publish, and make checks in earnest. Once the works of some writers or artists are decided to be published, they must be handled based on the law governing material production in the process of their "materialization" and circulation as commodities within a certain realm. For example, literature and art publishing houses, movie production houses, and printing houses are originally run according to enterprise management or are enterprises themselves. It is a matter of course that these units or departments should attach importance to economic results. However, the above-mentioned units or departments differ widely from ordinary industrial and commercial enterprises of material production. They are not pure industrial and commercial enterprises, and not even mainly economic departments, but important fields in the production and spread of spiritual products. They primarily face the question of what spiritual products are to be duplicated in production and to be spread, and the task of building socialist spiritual civilization falls on their shoulders. Therefore, these departments should resolutely act according to the requirements proposed by Comrade Deng Xiaoping on behalf of the Central Committee: "Ideological, cultural, and public health departments should take social benefit as the sole criterion for all activities, and the enterprises under their jurisdiction should do the same." An important reason for the continuous emergence of some unhealthy works at present, which even tends to swarm the book market, is that the production and spread of the above-mentioned spiritual products are regarded as pure material production and circulation, and economic indexes are taken as the chief criterion for judging the accomplishments of these departments and units. Because of "looking for money in everything" in their guiding idea, some editing departments, publishing houses, press units, and book and movie distribution departments have given a green light to vulgar literature and art while showing indifference to fine works expressing the four modernizations and even making things difficult for them.

The primary requirement of putting social benefit in the first place is irreplaceable for literature and art critics and research institutes among the contingent of literature and art workers. The unhealthy tendency of "looking to money in everything," which is eroding literature and art production, will be powerfully resisted if we persist in correct criticism, doing our best to be fair in telling what is good and what is not so that a healthy atmosphere in literature and art criticism may be formed. But if literature and art criticism should become vulgar flattery with no principle to speak of, it will only help spread those vulgar, filthy works of low taste, which only aim to make money.

Persistence in putting in the first place the social benefit of literature and art products is the responsibility not only of literature and art creation, publishing, and distribution departments, but also the whole society. It is the responsibility of all related departments of finance, planning, education, journalism, and propaganda, and primarily is the responsibility of party and government leadership at all levels. The Central Committee's proposal on the Seventh 5-Year Plan stated: "Party committees and governments at all levels should strengthen the leadership in science and technology, and educational and cultural work in a down-to-earth way, and seriously solve the difficulties and problems these undertakings have met with in their development." We believe that so long as the party and government leadership at all levels genuinely implement the resolution and requirements of the Central Committee mentioned above, putting into first place the social benefit of literature and art products will have the most powerful guarantee. We should do justice to the fact that some writers, artists, and some publication units are not unwilling to devote all their efforts to genuinely serious literature and art creation and publication undertakings, but they have a hard time making a living and are limited by their funds, so they have to engage themselves in writing and publishing things which will make money. Even so, their "inner world" is not pacified. Of course, the foregoing situation should not become a defense for "forgetting righteousness on the sight of profit" on the part of some literature and art publication and distribution departments, but it does remind us that persistence in putting in the first place the social benefit of literature and art products is the unshirkable obligation of literature and art circles and the publication circles, and it must be placed at the top of the agenda for party and government leadership at all levels. At present it is urgent that some typical examples both positive and negative in literature and art creation and work be grasped, with in-depth investigations and meticulous analyses made, in order to make some breakthroughs by which the overall situation is guided, before something mandatory and complete is drawn up with some regulations and decrees to abide by. The day when the whole party and society attach great importance to and adopt down-to-earth measures (political, economic, spiritual, and material) for strengthening the place and role of the building of socialist spiritual civilization will be the day of realizing a still greater takeoff for socialist literature and art undertakings which are lofty, healthy, rich, and colorful.

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PAINFUL MOURNING FOR THE PASSING OF COMRADE DING LING--TO THE TUNE OF 'MAN JIANG HONG' (5 MARCH 1986)

Beijing RED FLAG in Chinese No 6, 16 Mar 86 p 18

[Poem by Xiong Fu [3574 1788]]

[Text] The delightful spring scene darkens at this moment of parting.
Sad are the memories of the faded dreams about the capital[1]
And of the sobbing along the Xiao and Xiang Rivers in Hunan.[2]
The writing brush that stirred up storms will be long remembered,
Unforgettable is the tip of the pen that swept away demons.
All her life, she has taken pains to water the flowers of freedom!
She has left behind a good example to the ranks of women
And set the pace in the realm of culture.
Her cultivation and nurturing have brought forth a host of talented writers.
Who can disparage her aspirations?
Her magnanimity illuminates the clouds and outshines the moon.
She was a paragon who makes the great masters of history pale by comparison!

Postscript:

On the morning of 20 February 1986, I was shocked to learn that Comrade Ding Ling was critically ill. In the afternoon, I hurried to see her in the Xiehe Hospital. She was in a coma in the intensive care ward and was being given emergency treatment. I was tremendously startled. I also learned from Comrade Chen Ming that before she became critically ill, Comrade Ding Ling, being aware that she was unlikely to recover from her severe and lingering illness, was free from worry and tirelessly gave her last will orally. I was especially moved by her constant wish to work hard for the prosperity of socialist literature. In the evening of 4 March, Comrade Ding Ling's death was announced by the "News Hookup" program of the Central Television. Deeply grieved by the news, I sat in silence for a while, recalling her bearing and magnanimity. Feeling depressed, I wrote, as my thoughts dictated, a poem to the tune of "Man Jiang Hong" to express my grief over her death and my admiration for her. Alas, now that such a good person has passed away, what more can I say?

Xiong Fu
8 March 1986, at the Wistaria Study

FOOTNOTES

1. "The faded dreams about the capital": I became acquainted with Comrade Ding Ling in Beijing in 1952. She was then director of the literature and art office of the Propaganda Department of the CPC Central Committee, secretary of the party group of the Chinese Writers Association, vice chairman of the Chinese Writers Association, and chief editor of WENYI BAO and RENMIN WENXUE.

2. "The sobbing along the Xiao and Xiang Rivers in Hunan": Comrade Ding Ling was born into a feudal family in Linli County, Hunan, in 1904. While growing up, she ran away from home and went to Beijing and Shanghai where she participated in the revolution and started her 60-year-long career as a revolutionary and writer.

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A NEW SITUATION IN CHINA'S DIPLOMACY

Beijing RED FLAG in Chinese No 6, 16 Mar 86 pp 19-24

[Article by Xue Mouhong [5641 6180 3163]]

[Text] China has displayed greater initiative, enjoyed more favorable conditions, and played a more active part in foreign affairs in the first half of the 1980's than in any other previous period since the founding of the PRC. It has presented a more outstanding image as an independent and peace-loving state on the international arena, both its reputation and standing have been enhanced, and its relations with more than 100 countries have been developed to varying degrees. This new situation in China's diplomacy can be attributed, on the one hand, to the great successes that the country has achieved in its socialist modernization process; and, on the other hand, to the changes in the world situation and the enhancement of its own understanding in the past few years which have pushed it to timely readjust and improve its foreign policy.

I

As far as our policies toward the United States and the Soviet Union are concerned, we have made known to the world our firm stand--China will never enter into a strategic alliance with any great power. This is a new development of China's foreign policy of independence and peace.

The reason China refuses to enter into an alliance with any great power is not only that this may restrain it from acting freely and from maintaining its full independence in foreign affairs but also that China has realized that it would be unfavorable to the stability of the international situation if China, as a great power, entered into an alliance with either the United States or the Soviet Union. However, it will be favorable to world peace if China firmly adheres to the principle of nonalignment and takes a firm stand for safeguarding peace.

As a nonaligned country, China neither considers its policy toward the Soviet Union in the light of U.S. intentions nor considers its policy toward the United States in the light of the Soviet Union's intentions. At the same time, China does not adopt an unprincipled equidistant diplomacy between the United States and the Soviet Union. We make judgments and formulate policies based on the facts of each international event and in the fundamental interests of the Chinese people and the world people. In the course of the sharp and complicated international struggle, China's opinions may sometimes be similar to those of the United States on certain issues and to those of the Soviet Union on others, but above all its starting point is different from theirs.

China's relations with the United States and the Soviet Union have shown an obvious new feature in the past few years, that is, although China resolutely opposes the two powers' hegemonistic acts, this does not restrain it from developing or improving its relations with them in certain aspects; on the other hand, China had not given up its efforts to oppose hegemonism although it wishes to develop or improve its relations with them in certain aspects. We continue to struggle with the United States on the issue of Taiwan and criticize some wrong practices by the United States with regard to other important international issues, especially the issues of Korea, the Middle East, southern Africa, and Central America. We also resolutely demand that the Soviet Union take effective measures to eliminate its threat against China's security and remove the three obstacles from the path to the normalization of the Sino-Soviet relations, namely, the massive Soviet forces stationed along the Sino-Soviet border and in Mongolia, the Soviet Union's support for Vietnam in its invasion of Cambodia and anti-Chinese activities, and the Soviet military occupation of Afghanistan. All these have shown that China has been taking a firm stand against the two superpowers' attempts to seek hegemonism over China or other countries. On the other hand, however, China has also made great efforts to develop its relations with the United States and to improve its relations with the Soviet Union.

The past few years witnessed the exchange of visits between Chinese and U.S. leaders and a substantial increase in bilateral trade. The United States has relaxed the restrictions on technology transfers to China, and the accord on Sino-U.S. cooperation in the peaceful use of nuclear energy, which was the first of its kind signed between the United States and a socialist country, finally came into force in late 1985. China and the Soviet Union have also initiated contacts at higher levels between them. Through the exchange of visits at the vice premier level, the two sides have signed a number of accords on economic and technological cooperation and, in particular, the first long-term trade accord. Meanwhile, the volume of trade between the two countries has also increased rapidly.

While taking a firm principled stand against hegemonism, China has made efforts to improve or develop its relations with the United States and the Soviet Union. This is in the interests of China's struggle to uphold justice and support the progressive cause of mankind, and in keeping with our needs for peace, friendship, and the four modernizations.

II

Strengthening unity and cooperation with Third World countries has always been China's basic standpoint in foreign affairs. Some features of this policy displayed in the course of implementation merit attention.

During his visits to 11 African countries and 4 Latin American countries, Premier Zhao Ziyang emphasized that China and the vast number of Third World countries have a common ground on a series of questions. But we have also noticed that differences between Third World countries in certain aspects of their foreign policies can hardly be avoided due to their different social systems, development levels, and historical conditions. China fully respects other countries' independence. We are determined to pursue the five principles of peaceful coexistence and are ready to make every effort to establish and develop friendly and cooperative relations with all Third World countries. We will neither divide Third World countries into "progressive" and "reactionary" ones nor classify them by their attitude toward the Soviet Union or the United States. We have definitely declared: Third World countries have the full right to maintain close relations with and accept aid from one superpower or another in the light of their own situation. This is their right which does not affect their normal relations with China.

Relatively speaking, in the past China maintained closer relations with developing Asian and African countries but less frequent intercourse with developing countries in Latin America, the Caribbean region, and Oceania. In recent years, while continuing to promote its friendship with developing Asian and African countries (especially neighboring developing countries), China has also vigorously developed its relations with countries in other underdeveloped regions.

China's relations with the vast majority of Third World countries are excellent. However, due to various factors, China has yet to improve its relations with certain Third World countries. For a period, we have made efforts to maintain more intimate relations with good friends and to improve our relations with countries having grudges against us.

Many Third World countries and peoples are still faced with the essential task of struggling for or defending political independence and national rights. China will uphold justice and give due support for their struggle against imperialism, colonialism, hegemonism, South Africa's racism, and Israel's expansionism. The more arduous their struggle is, the more steadfastly China will stand by their side. In view of the new circumstances which they face in their struggle, we maintain that different countries can adopt different forms of struggle in different periods. China will support the struggle of all Third World countries and peoples as long as the form of struggle they have adopted can really help to fulfill their just goals.

With regard to economic affairs, in view of the difficult situation that many Third World countries are faced with, we hold that it is necessary to closely combine the long-term goal of establishing a new international economic order with the effort to solve, as soon as possible, some urgent economic problems that developing countries are currently faced with. We demand global negotiations aimed at the comprehensive relaxation of North-South contradictions as a whole. At the same time, we have voiced our views on some outstanding problems that the vast number of developing countries are seriously concerned about including trade protectionism practiced by developed countries and the debt crisis that the Third World is facing.

In view of the slow improvement in North-South relations, China has also made efforts to explore new approaches to South-South cooperation. As developing countries are basically poor countries which lack funds, South-South cooperation, if mainly limited to the provision of funds, will not have broad prospects. It is necessary to explore various forms of cooperation so as to open up broader and broader prospects. Starting from this basic idea, China has, on the one hand, continued to provide, within its power, aid to many developing countries (in particular some most underdeveloped ones) and, on the other hand, tried to gradually shift the focal point of its economic relations with Third World countries onto economic and technological cooperation on a mutually beneficial basis. In this connection, China has put forth the four principles of "equality and mutual benefit, emphasis on practical results, diversity in form, and common development."

Since China has given fuller play in the past few years to the principle of integration of patriotism and internationalism as well as the spirit of seeking truth from facts in formulating its policies on some political and economic issues that the Third World is most concerned about, it has laid down a more solid foundation for the further development of friendship and cooperation with Third World countries.

III

Developing Sino-Japanese relations is one of the important aspects of China's diplomacy. In view of the historical characteristics and present potential of Sino-Japanese relations and in order to upgrade these relations to a new height in the 1980's after great progress in the 1970's, Chinese leaders have repeatedly stated: The two countries should strengthen mutual trust in political affairs, and constantly enhance economic cooperation, so as to carry forward Sino-Japanese friendship from generation to generation. In the past few years, through consultations at the highest level, China and Japan laid down four principles governing the development of Sino-Japanese relations, namely, "peace and friendship, equality and mutual benefit, interdependence, and long-term stability." A "Committee for Sino-Japanese Friendship in the 21st Century" composed of aged, middle-aged, and young representatives from various circles of China and Japan has been set up. Three thousand Japanese youths visited China and 500 Chinese youths visited Japan in return. Trade between the two countries has grown considerably. And Japan has granted China a second yen loan and a second loan for developing the energy industry.

Of course, there have been some problems in the development of Sino-Japanese relations. For example, China suffers huge trade deficits, Japan is not eager enough to transfer technology to China, and so on. All these are unfavorable to the long-term and stable development of economic cooperation between China and Japan. What China is particularly concerned about is the fact that militaristic tendencies show up in Japan from time to time. Certainly this will hinder the enhancement of political trust between the two countries. China strongly reacted to both the "incident of amending history textbooks" in 1982 and the "homage-paying ceremony at Yasukuni Shrine" in 1985.

When talking with Chinese and Japanese members of the "Committee for Sino-Japanese Friendship in the 21st Century" in October 1985, Comrade Hu Yaobang emphasized: Both the Chinese and Japanese Governments should continue to show higher initiative in cherishing Sino-Japanese friendship. The two governments should not let their historical confrontation affect their cooperation today; nor should they sympathize with those arch-criminals who were responsible for the Sino-Japanese confrontation; still less should they connive at the activities of a handful of people who have tried in vain to revive militarism. Since the two countries have a different history, status quo, interests, and viewpoints, both sides, when encountering difficulties in their intercourse, should give consideration to the whole situation, act with caution, earnestly consider each other's friendly proposals and reasonable requests, and try their best to refrain themselves from doing anything that might hurt their peoples' feelings. The highest goal of Sino-Japanese friendship is to carry forward the friendship between the two peoples from generation to generation. Therefore, the two sides should first of all make efforts to encourage all positive factors that may help to fulfill this goal, properly deal with any negative factors that may hamper the fulfillment of this goal, strive to guarantee the continuity of Sino-Japanese friendship in the 21st century, and thus lay down a solid foundation for the long-term friendship to be carried forward from generation to generation. Prime Minister Nakasone supported the above opinion of Comrade Hu Yaobang on the efforts to develop Sino-Japanese friendship. So long as both the Chinese and Japanese sides can take a far-sighted and profound point of view, there will be bright prospects for the long-term friendship between China and Japan.

IV

In the past few years, China and Canada, Australia, and New Zealand, all of which border the Pacific Ocean, have made full use of their favorable conditions to expand friendly cooperation in various forms in various fields, and conspicuous progress has been made. At the same time, China has also paid great attention to further developing our relations with the Western European countries on the eastern shore of the Atlantic Ocean.

China realizes that Western European countries, like China itself, have fully suffered from the disasters of war. Although they practice different social systems, they have no fundamental conflicts of interest between them but many common or similar viewpoints with regard to the safeguarding of world peace and national security. As China and the Western European countries each have their own favorable economic conditions and needs, they can make up for each other's deficiencies and help supply each other's needs. Therefore, both sides can become good partners regarding two major issues--the efforts to strive for peace and development. In light of this basic estimate, China has made great efforts to strengthen its relations with the Western European countries in the first half of the 1980's.

In the past few years, China and many Western European countries have strengthened political consultations between them and reached unanimity on many international issues about which both sides are concerned. We also concluded an agreement with Britain on the Hong Kong issue which was left over by history. This agreement is not only advantageous to the great cause of the unity of China and to world peace, but has also opened up more brilliant prospects for friendly cooperation between China and Britain. Also, China is going to open talks with Portugal on the Macao issue. So, no more important issues will remain pending between China and the Western European countries.

The good political relations between China and the Western European countries have provided favorable conditions for the development of mutually beneficial economic relations, and the constantly developing economic cooperation between the two sides will in its turn further consolidate and enrich the good political relations between them. Chinese leaders have pointed out: The United States and Japan have played a greater part in China's economic and technological cooperation with foreign countries due to various reasons; from now on China should try to make Western Europe play a greater and greater role. China hopes that Western European countries can offer more competetive prices on their products and more preferential terms of payment, take a freer attitude toward technology transfers, and allow more Chinese commodities to enter the Western European market. Governments and business circles of the Western European countries have shown their strong desire and interest in the enhancement of economic and technological cooperation with China. In 1985, the volume of trade between China and the Western European countries increased remarkably. China recently concluded agreements with France and Britain on cooperation in the Guangdong nuclear power plant project. All these indicate that there are indeed broad prospects for economic and technological cooperation between China and Western Europe.

V

As for Eastern Europe, China has improved its relations with some Eastern European countries step by step while further developing its friendship and cooperation with Romania and Yugoslavia.

In June 1982, Premier Zhao Ziyang publicly declared: The Chinese people cherish friendly feelings for the Polish, Czechoslovak, Democratic German, Hungarian, and Bulgarian peoples: We are concerned about their achievements and experience in socialist construction; and we believe that China's relations with these Eastern European countries can be further improved through common efforts.

Later on, there were more and more frequent contacts between high-ranking officials of China and the above Eastern European countries. We have repeatedly emphasized: As China's specific circumstances and actual situation are different from those in Eastern European socialist countries, China's policies regarding socialist construction and foreign relations are of special characteristics, different from those adopted by the latter. This is completely understandable. However, there is no conflict of fundamental interests between China and these Eastern European countries. China wishes to unremittingly develop its relations with all these countries on the basis of equality, mutual benefit, and mutual respect and in accordance with the principle of seeking common ground while reserving differences. China especially hopes to vigorously strengthen economic and technological cooperation with these countries where the potential is tremendous. Apart from exchange of traditional products, it is necessary to combine trade with cooperation in development of productive technology.

In the past few years, great progress has been made in economic and technological cooperation between China and these countries. By 1985, China had concluded 100 or more economic cooperation projects with these five countries, signed "accords on economic and technological cooperation" with them, and set up bilateral committees for economic, trade, and scientific and technological cooperation. In 1985, China signed "5-year long-term trade accords" with these five countries separately, and its volume of trade with Poland, Czechoslovakia, and Hungary exceeded the highest records in history. The volume of trade between China and Democratic Germany has almost reached the highest level in history.

As for Albania, China has also clearly declared its wish to improve and develop relations with the country based on the five principles of peaceful coexistence. Trade between China and Albania has also grown in recent years.

Facts have shown that China and many Eastern European countries have more and more clearly seen one thing, that is, strengthening the relations between them is not only advantageous to both sides but will also have a positive influence on the development of the international situation as a whole. This common understanding has laid down anew a relatively solid foundation for further friendly cooperation between the two sides in all fields.

VI

In the past few years, the arms race between the United States and the Soviet Union has become the number one "hot spot" in the world. A heated struggle has been unfolded between the two countries on the issue of intermediate-range nuclear weapons deployed in Europe and that of space weapons. To cope with this circumstance, China has reiterated: The two superpowers, which possess the largest nuclear and conventional arsenals, bear the principal responsibility for disarmament.

Of course, China is not urging others to disarm while refusing to disarm itself. In fact, China insists that the two superpowers should take the lead in disarmament. As far as nuclear disarmament is concerned, China put forth at the United Nations in 1983 a proposal according to which the two nuclear powers would first of all stop experimenting with, improving, and producing nuclear weapons and reach an agreement on the substantial reduction of the size of their nuclear arsenals; after that, an international conference where all interests are represented would be held to discuss the issue of joint efforts to cut nuclear arms; and that China is ready to perform its obligation regarding nuclear disarmament.

China demands that the United States and the Soviet Union take the lead in reducing the quantity of their nuclear weapons substantially so as to push all the nuclear countries to engage in nuclear disarmament. At the same time, China also hopes that the goal of the destruction of all nuclear weapons will finally be fulfilled through such a continuous and uninterrupted process. China proposes that, before this goal is achieved, all nuclear countries should sign a convention banning the use of any nuclear weapons.

China still takes a critical attitude toward the discriminatory Nuclear Nonproliferation Treaty. The Chinese Government has solemnly announced: China does not support nor encourage nuclear proliferation; China does not get involved in nuclear proliferation and will not assist any country in developing nuclear weapons. China's cooperation with other countries in the nuclear field is limited to peaceful uses. China has already joined the International Atomic Energy Agency and will submit, on a voluntary basis and through negotiations, some of its nuclear facilities for civil use to the agency to fulfill security procedures at an appropriate time.

Strongly opposing the superpowers' attempt to extend the arms race to outer space, China has repeatedly pointed out that this development, as a qualitative upgrading of the arms race, is fraught with serious dangers. In recent years, we proposed at UN General Assemblies again and again that the United States and the Soviet Union should immediately stop the arms race in space in all forms, all countries with space exploration capabilities should never develop, experiment with or deploy space weapons, and an international accord on the complete prohibition and thorough destruction of space weapons should be concluded as soon as possible.

At international disarmament conferences at all levels, or when exchanging views with various countries on the disarmament issue, China has not only put forth new proposals from time to time according to the developing situation but has always supported all views that are really helpful to the achievement of disarmament. As for those proposals which are put forth out of good will but actually do not help to achieve real disarmament, China has also frankly and sincerely voiced its views in the hope of seeking common ground while reserving differences. Some time ago, an "antinuclear peace movement" became widespread in many countries. Although this movement has a different background in different countries, China has fully affirmed the main trend of this movement as it has reflected the peoples' strong appeal for disarmament. In order to invest more resources into national construction, the Chinese Government has taken the initiative in adopting a series of measures, including the important decision to cut its armed forces by 1 million men in 2 years. All these acts have displayed China's independent and peaceful foreign policy with regard to the important disarmament issue.

VII

Since the 3d Plenary Session of the 11th CPC Central Committee, invigorating the economy at home and opening up to the outside world have become two basic policies which complement each other in guiding China's modernization. In the past few years, the policy of opening up to the outside world has been applied to more and more realms, more mature methods and various forms have been adopted, and greater and greater successes have been achieved.

We have reiterated that China is to open its door to both capitalist and socialist countries; and to both developed and developing countries. China wants to promote economic and technological cooperation with countries of different social systems and different developmental levels, as well as with large-, medium-, or small-sized foreign enterprises.

At the very beginning, China set up its special economic zones just in Shenzhen, Zhuhai, Shantou, and Xiamen. Then, in 1985, China decided to apply certain special policies practiced by the special economic zones to 14 coastal cities and Hainan Island as well, and further opened up the Chang Jiang Delta, the Zhu Jiang Delta, and the southern Fujian triangular zone.

Foreign economic and technological cooperation has been extended from the trade sector to the production sector, and more forms of cooperation have been adopted--apart from such old forms as processing supplied materials, drawings, and samples, and assembling supplied parts, there are comanagement, joint exploration, joint ventures, and sole proprietorship by foreign investors. The focal point of introducing technology has also been shifted from importing complete sets of equipment to introducing special technological items, from hardware to software, from establishment of new enterprises to transformation of old enterprises, and from the pure introduction of technology to the integration of importing technology and introducing foreign capital. At the same time, economic and technological cooperation which used to involve only "imports" has now entered a new stage of "exports"--China now runs joint ventures and technological transfer projects abroad, and, in particular, contracts for engineering projects and provides labor services.

In the course of opening up to the outside world, China has also formulated a series of laws and regulations on economic and technological cooperation with foreign countries, and signed some accords with quite a few countries to protect foreign investments and avoid double taxation, thus providing a better guarantee of the legitimate rights of all the parties engaged in cooperation.

Although China has implemented the policy of opening up to the outside world for only a short time, encouraging progress has been made. For example, during the Sixth 5-Year Plan period, China's foreign trade volune increased by about 10 percent a year on average. By the end of 1985, more than 2,300 joint ventures run with Chinese and foreign capital, more than 3,700 comanagement enterprises, and 120 enterprises solely run by foreign investors had been established; and in addition, 35 offshore oil prospecting and exploration projects had been approved. Facts have shown that the policy of opening up to the outside world has expedited China's industrial and agricultural development, speeded up the construction of key projects and the weak links of the national economy, enhanced the technological and management levels of the country, ensured an ampler supply to the domestic market, increased the state's financial revenues, provided more job opportunities, and consolidated and upgraded our friendly relations with foreign countries. Meanwhile, various problems emerging in the course of exploration are being solved.

Whereas the implementation of the policy of opening up to the outside world is an objective need that has to be met to step up the process of the four modernizations and international economic and technological cooperation is an important approach to strengthening friendship between different people, Chinese leaders have already publicly declared: The door [men 7024] which is open will only be opened wider and wider and will never be shut again. If China's opening-up policy is to be changed, then it will only become maturer, more successful, and more compatible with the development of foreign economic relations in various forms.

In the past 36 years, China has taken a tortuous but breathtaking course in diplomacy. In the 1950's, we took part in an arduous and complicated struggle in order to safeguard our independence and to get a firm foothold for the newly born republic. In the 1960's, China was faced with new and severe tests in the field of foreign affairs, being exposed to pressure from the superpowers abroad and the interference of the ultraleft ideological trend at home. And we eventually survived the tests. From the 1970's onward, China's diplomacy has advanced in giant strides. The lateral expansion of foreign relations highlighted the great progress China made in the 1970's while upgrading and in-depth development were the main features of China's tremendous achievements in the 1980's. Having stood various tests in all previous periods, China is now implementing the most correct and powerful foreign policy that it has ever pursued since 1949. Following the development of the objective situation and the upgrading of subjective understanding, socialist China will continue to blaze new trails in its diplomatic work under the guideline of safeguarding peace and encouraging development, and thus further open up the new situation that has emerged in foreign affairs.

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THE EXPERIENCES OF GRASSROOTS-LEVEL WORK IN THE VILLAGES OF JIUQUAN PREFECTURE, GANSU PROVINCE

Beijing RED FLAG in Chinese No 6, 16 Mar 86 pp 25-27

[Article by Li Ziqi [2621 1311 1142]; first paragraph is RED FLAG introduction]

[Text] Grassroots-level work is the basis of all our work. All of the party's principles and policies depend on the carrying out of grassroots-level work. After the family responsibility system was implemented in the rural areas, how to carry out grassroots-level work became a prominent question. If this link is carried out well, then rural ideological and political work, work in terms of political power, economic work, public security work, and the building of spiritual civilization will all achieve breakthroughs. The article published here was written by Comrade Li Ziqi, secretary of the Gansu provincial party committee, and it introduces the experiences of Jiuquan Prefecture.

Jiquan Prefecture lies near Jiayuguan and has under its direct jurisdiction 7 counties and cities, 72 townships, and a total of 760,000 people. It covers an area of 190,000 square kilometers, is rich in land, water resources, and mineral resources, and is a wealthy area waiting to be developed.

The villages here implemented the system of household contracted responsibility starting in the winter of 1982. In the beginning, in all the areas it was the same, with various people believing "once the contracted responsibility by household is implemented, there will be no need for team cadres." Actually, in facing the new situation, not only team cadres, but also many township (commune) and village (brigade) cadres, felt that the old methods were no longer possible and as they had not studied the new methods, although they had the zeal there was nothing for them to do. Some cadres returned to their families to plant the fields they were responsible for and to find the road to wealth. Thus, "for 10 days or even half a month, they did not appear, and if the masses had a matter to be handled, the cadres could not be found."

In facing these problems which appeared in the new situation, the prefectural committee investigated and dissected the situation in two townships and discovered that, with the encouragement of the correct principles and policies of the party, an upsurge of diligence and pioneering work had occurred in the rural areas. However, because of the restrictions of the narrow vision of small producers, each family raised cows, pigs, and chickens. Every household was "small but complete," development was not swift, and efficiency was not high. A small number of specialized households and joint collective operations had established melon fields, animal-raising farms, and small factories and mines. However, they were restricted in that information was not easily obtained, funds were insufficient, technology was not refined, and circulation was not smooth. Thus, many of their products could not be sold and some of the melons and vegetables rotted in the fields. The masses urgently hoped that the cadres could help them resolve these development problems. In fact, what the masses did not want was "official masters," but they urgently needed cadres who could help them resolve their real problems and help them to become prosperous.

The prefectural and county cadres believed that if we were to strengthen grassroots-level work, then we had to have positive guidance in order to help the township and village cadres study well the party's principles and policies, so that they could truly recognize that the system of household contracts is not a return to what existed before the cooperatives, where there were "small and complete" self-sufficient economies. Rather, it is the readjustment of productive relationships which do not accord with the nature and level of the productive forces, the motivation of the hundreds of thousands of peasants, the development of the productive forces, the changing of a self-sufficient economy or semi-self-sufficient economy into large-scale commodity production, and the changing of traditional agriculture into modern agriculture. The leader's responsibility lies in ensuring that the development of the productive forces, following the changes in the relations of production, accords with the demand of the superstructure, and in firmly persisting in carrying out the reforms so that the direction and contents of grassroots-level work manifests the spirit of the general line and overall tasks. They also had to educate grassroots-level cadres to respond to the party's call, take the lead in eliminating poverty and bringing prosperity, and in adhering to discipline and the law. They must also teach them to even more firmly support the party's aim of serving the people with all one's heart, to understand the demands of the masses, and to help them to understand how to resolve the pressing problems facing all families and households, problems which individual families and households are unable to solve by themselves.

In the basic construction in the villages of Jiuquan Prefecture, grasping the work of switching "tracks" and changing "forms" has been stressed. First, this is so grassroots-level work can be switched from the old track of a self-sufficient or semi-self-sufficient economy which "takes grain as the key link," and which mainly uses administrative management and administrative methods, to a new track of a commodity economy which has joint agricultural, industrial, and commercial joint operations, which has economic construction as its base, and which mainly uses economic methods. Second, it is in order to readjust the grassroots-level cadre ranks and to educate the cadres so as to raise their ideological and policy levels, so that they can gain the skills for organizing commodity production and bring about great changes in their quality, work methods, and work styles. Through shifting "tracks" and changing "forms," it has been possible to gradually enable grassroots-level organizations in the villages to proceed from reality, to creatively carry out the party's line and policies, and, in accordance with the local resources and market needs, to decide on production avenues, set development plans, collect funds, import technology, train skilled personnel, open up channels of circulation, and resolve well problems in production, supply, and sales. They will also be able to do well in political work, develop cultural, educational, and social undertakings, support the poor and help those in difficulty, and lead the masses in traveling the socialist road of common prosperity. Thus, the comrades in Jiuquan Prefecture have placed stress on work in the following aspects:

1. Improving the work style of organs and adhering to seeking truth from facts: The comrades in Jiuquan Prefecture feel that if grassroots-level work is to be carried out methodically and efficiently, there is a need to improve the work styles of the prefectural and county leaders and adjust the relationship between the departments and grassroots level so that the departments change from directing to serving, while reducing interference and increasing assistance. In the spring of 1985, the prefecture made a decision to improve the work style of the organs so that they would serve the grassroots level, and required that a leading cadre township and village contact point system be established, with the prefectural committee taking the lead. Under this system, every leading cadre has to go to his own contact point three times a year for 1 month each time to carry out investigations and research, resolve problems, sum up experiences, and understand the hardships and difficulties of grassroots-level work. This has played a good role in helping cadres understand the conditions at lower levels, in enabling the grassroots level to urge on the upper levels, and in improving organs' work styles. The prefectural cadres also especially stressed that cadres must establish a seek-truth-from-facts work style, proceed in everything from reality, speak and act truthfully, and realize real achievements. The prefectural committee also set down short-term strategic goals for the whole prefecture in accordance with the task of quadrupling total industrial and agricultural output by the end of the century, as set by the 12th National Party Congress, and also in accordance with the situation whereby the prefecture has many resources and vast untapped potential. In regard to the unfavorable conditions of being secluded, having backward technology, and transport difficulties, it proposed increased education, the importation of technology, and the enlivening of circulation by every possible means. It required the cadres to carry their work to all families and households and to link up the general task with the plans of every family and household to increase their income, so that the peasants obtain benefits they can see and feel.

2. Adjusting the cadre ranks and absorbing fresh blood: Over the last 3 years, in accordance with the demand for the four modernizations, through elections, inviting applications, and examinations, for the 72 townships and villages in Jiuquan Prefecture, 1,261 cadres have been selected from the ranks of intellectuals who have returned to the villages and from specialized households. Appropriate arrangements were made for some aged grassroots-level cadres and they were given honor certificates. Also, on

the economic level, they were given appropriate considerations and they were encouraged, after returning to their families, to become models in achieving prosperity through labor and in adhering to discipline and law. Through readjustment, the number of village and team cadres was reduced from over 11,000 to around 5,200, and the burden on the peasants has been reduced by 27.3 percent. At present, the average age of cadres in the townships of Jiuquan Prefecture is 28. This is a drop of 3.5 years from the situation before readjustment. Those people who have a middle-school or tertiary education constitute about one-half of the total, 30 percent up on the former figure. The average age of cadres in the villages is 37.5 years, 8.8 years below the figure prior to the readjustment. Those with a junior middle school education or above constitute 56 percent of the total, 19 percent up on the previous figure. There is now no illiteracy among grassroots-level cadres.

3. Vocational study and mastering technology: In order to renew the education of cadres and in order to train professional and technological staff for the development of the rural commodity economy, Jiuquan Prefecture has established four middle-level specialized technological colleges, one each for agriculture, industry, finance, and health. All counties have arranged various economic and technical training classes, including classes in agricultural technology, agricultural machinery, horticulture, and construction. There is also rotational training in economics and technology for township, village, and team cadres, enterprise managers, and middle-school students who return to the villages. Over 30,000 persons have been trained and 450 persons have been selected and sent to tertiary institutes to pursue advanced studies. In addition, the prefectures, counties, townships, and villages have also arranged, in accordance with the needs of economic development, to send some cadres to Beijing, Sichuan, Henan, the northeast, and areas along the coast which have fairly fast economic development, to observe and study, to publicize Jiuquan's resources, to attract skilled personnel and funds, and to discuss the signing of contracts for developing local industries and township enterprises as well as product sales contracts. Within the last year, the township enterprises alone have employed 153 specialized technicians and 696 technical workers from other provinces and cities and drawn in 54 items of technology. Over the last 3 years, the overall income of township enterprises has grown by close to 200 percent.

Fully motivating the enthusiasm and creativity of the grassroots-level cadres is the basis for carrying out grassroots-level construction well in the rural areas. Jiuquan Prefecture has reformed the "big pot" method of allocation for cadres and instituted the cadre responsibility system whereby in management there are annual targets and rewards are calculated in terms of accomplishments. The township and village cadres have implemented interlocking division of work between regions and departments and have contracted the tasks to complete. In this way, in all aspects of work there are persons who take responsibility and the members of all households have persons to contact if the need arises. In implementing the cadre responsibility system and in improving grassroots-level work, they pay attention to the following four matters:

1. The specific division of work and the unity of targets: The tasks in rural work are numerous. They range from the party's ideological and political work to production operations and service in terms of agriculture, forestry, animal-raising, sideline production, industry, commerce, transport, and construction, and the building of water conservancy projects, fields, roads, and towns. There is also public security, civil mediation, the schooling of children, adult education, family planning, the popularization of science, the spread of technology, running old people's homes, and building cultural centers. In total, there are 20 or 30 different things to be handled. In order to change the former situation of disorder, Jiuquan Prefecture has given the various tasks of grassroots-level work to separate cadres and divided the work between villages, teams, and households. They have required that, in regard to the rural households they are responsible for, the cadres take on the tasks of visiting them, publicizing party policies, helping them to set production and income-raising plans, spreading science and technology, and doing well in production, supply, and marketing service work. They are also to assist in the rural households in meeting family planning targets, in attaining the required rates of children entering school, in strengthening ideological and political work, and in striving to ensure that activities which transgress discipline or law do not occur. In the spring of 1985, the 700-plus cadres of Yumen city helped 13,600 of the city's rural households to formulate plans for developing commodity production. By the end of the year, 98 percent of the peasant households had achieved their plans and the average net income of the peasants increased by 104 yuan over the previous year.

2. Handing down four powers and seeking real results: In order to fully bring into play the motivation and creativity of the grassroots-level cadres and enliven the rural economy, the prefecture and counties have handed power down to the townships. With the precondition of completing the grain, cotton, oil, and pig purchase contracts, the townships have the power to proceed from the actual situation, open up new production avenues, and run various types of enterprises. They have the power to employ cadres; they have the power to guide the masses in adopting various economic and operational forms; and, on the basis of voluntary participation and mutual interests, they have the power to develop many types of cooperative and individual operations. They also have the power to manage the township's finances. At the same time, they require the township and village cadres to do several good deeds for the masses each year. The handing down of power has encouraged the cadres' spirit of initiative. All the townships and villages have placed stress on discovering "capable persons," supporting them in engaging in new undertakings, helping the tens of thousands of families and households to resolve the problems of service before, during, and after production, developing specialized teams and specialized villages, and establishing small-scale commodity production bases. The prefecture has already basically established 18 commodity production bases for grain, cotton, beets, watermelons, bailan [4101 5695], melons, vegetables, livestock and poultry, and building materials. It has also started 495 mining enterprises and organized 272 specialized companies of various sorts. Over 10,000 persons are engaged in collective or individual commodity transport and sales. The Anxi County melon sales company and individual transport and

sales households sold over 30 million jin of bailan melons and watermelons to Hong Kong, Qinghai, Xizang, and other regions in 1985. In Shangba township of Jiuquan County, 8 transport and sales households arranged a joint operation with the sales and marketing cooperative and the vegetable company, and in 1 year, sold over 18,000 tons of onions to Heilongjiang, Shanghai, Tianjin, and other provinces and cities. Over the last 3 years, Xianxihao township under Yumen city has taken 900,000 yuan from its collective accumulation and built or arranged a vocational middle school, an old people's home, a youth house, a central nursery, a spare-time opera troupe, a young person's militia house, a cultural center, anti-illiteracy classes, and a science and technological cultural center. They are also in the process of building a cinema, have laid 11 kilometers of village asphalt roads, and have brought running water to the rural households in five villages.

3. The linking of ideological and political work with the principles of material benefits, so that the cadres and masses become prosperous together: The village and team cadres are themselves peasants, and the majority of the family members of the township cadres live in the rural areas. Proceeding from this, Jiuquan Prefecture has, in regard to grassroots-level cadres, carried out education in honesty in performing one's official duties, in serving the people, and in opposing unhealthy trends of using power for one's own benefit. At the same time, the socialist principle of distribution according to work has been adhered to, egalitarianism has been overcome, rewards for the industrious and penalties for the lazy have been implemented, and payment in accordance with results has been instituted. This has guaranteed that after real results are achieved through their hard work, cadres' income reaches the medium or upper level of the peasants in that place and they become prosperous together with the peasants. Since 1984, the prefecture has also selected 10 township cadres who achieved outstanding results and they have been appointed to leading work at the county level.

4. Strengthening party member education and bringing into play the stronghold role of grassroots-level organizations: The prefecture and county party schools have trained a backbone force in cadre education. Through the annual winter training of village party members, there is education, in terms of the situation and policies, for the whole body of party members. The main part of this education is linking with the actual situation and explaining and publicizing the Central Committee's No 1 Document each year. The party branches have implemented a system whereby party members contact households and require that each party member pay attention to keeping contact with one or two households in difficulty, explain the policies to them, help them find production avenues, plan ways to escape poverty, and pass on production and operational technology. Each year, on the eve of 1 July, there is an investigation of township and village party organizations' implementation of policy, and advanced party branches and outstanding party members are selected and cited. Last year, the per capita income of households in difficulty which constitute one-third of all those in the prefecture, exceed 300 yuan.

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ON ARCHITECTURAL STYLES, FORMS, CONTENTS, AND OTHER ASPECTS

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[Article by Dai Nianci [2071 1819 1964]]

[Text] Over the past few years there has appeared, in architectural creation and in architectural forums, an unprecedented situation of 100 flowers blooming and 100 schools of thought contending. There have also appeared many questions worthy of exploration. I would like to express some of my opinions on these.

Architecture Is Both Technology and Art

I believe that architecture is both a scientific technology and an art. Some people have doubts as to whether architecture is an art, and give the following reasons, all of which I feel are difficult to support.

1. Architecture at present is a question of necessity, not a question of whether it is an art or not. Only when we arrive at a period of prosperity in the future will it be possible to speak of architectural art. This idea takes architectural art as a luxury. I believe there can be cheap art for the poor and low-level architectural art for low-level architecture. The value of art is not directly proportional to the amount of money expended.

2. Architecture as an art is ancient. Modern architecture has become a science, and is no longer an art. I do not believe, however, that scientific technology and art are mutually exclusive. In fact, all the creators of ancient architecture, both in China and abroad, used contemporary scientific achievements. With a relatively low level of productive forces and poor scientific and technological conditions, they were still able to create very brilliant architectural art. Today, as architects are able to use material media and technological methods which are far superior to those of ancient times, they should be able to create richer, more varied and higher art.

3. Some people believe that art is a reproduction of life and that, as architecture cannot "reproduce life," architecture is not art. Actually, architecture is a little like music. There is no way it can directly or accurately describe an actual thing, but it can describe the feelings

elicited by various things. Beethoven said: "Descriptive writing is like painting. In this respect, when compared to poetry and music, it can be said that you are fortunate, as its realm is not as restricted as mine. But in another respect, my territory stretches further within the side boundaries and people cannot easily reach my kingdom." (Footnote 1) (Letter from Beethoven to William Mai-er-ha-de) Architecture is also like this, and can only abstractly express various feelings (such as solemnity, majesty, nobility, happiness, liveliness, elegance, grief, fear, constraint, and so on). The artistic power manifested by the Nanjing Massacre Commemorative Hall, which was designed by Comrade Qi Kang [2871 1660], demonstrates this point. When people say that architecture is "solidified music," there is some truth to it.

Style Is the Continuous Duplication of Common Characteristics in Expression

As for architectural style, I agree with Gropius. He said: "What Bauhaus must seek is a new avenue, not a new style. A style refers to things which are continually duplicated in expression. It is the 'common denominator' (that is, the common factor) which the overall period has already fixed. However, thinking about dividing living art and architecture, which is in its period of maturation, into fixed styles or 'isms' does not encourage, and virtually ossifies (architects') creative activities." (Footnote 2) (Paul Heyer "Architects on Architecture," New York, 1966 ed., p 203. Gropius was a Jew, originally of German nationality. He was one of the leaders in the modern architectural movement, and was an internationally famous architectural theorist, master architect, and architectural educationalist. At the time of Hitler, he fled to the United States and became the head of the Faculty of Architecture at Harvard University. Bauhaus is the name of the architectural college established by Gropius in Germany and people often take this as a representative name for Gropius' school.)

According to my understanding, these words have two levels of meaning:

First, we speak of various architecture being of the same style because, in their appearance, they repeatedly duplicate some common characteristics, which makes us feel that they are similar. If we take the formal example of Spanish-style villas, in general it refers to gently sloping roofs (similar to Chinese tubed tiles) made of red pottery tiles, fairly thick cream-colored, or almost white walls, windows which are not too large, richly decorated iron-work railings over the doors and windows, and so on. These characteristics cannot be arbitrarily changed. If the roof is changed to a steep hip roof of flag-tiles, it will become English-style and no longer be Spanish-style.

Because of the common historical and social conditions as well as the common level of the productive forces and technical conditions, architecture of a certain period will inevitably have repeated expressions of the common characteristics and skills of the period. This thereby forms the architectural style of the period. In the same way, the architecture of a locality, because of the characteristic conditions of the locality, may in different architectural works, repeatedly manifest the common characteristics of this locality. This then becomes local architecture. The work experiences, education, life experiences, ideas of right and wrong, cultural attainments, likes, and individual strong points and weak points of an individual architect run through his different works, giving rise to his individual style. The past practice of criticizing individual style as individualism, and requiring a person to design something in a way he would not have otherwise designed it, is the same as requiring a person to write something he would not otherwise write. This is both unnecessary and wrong. However, today it is not necessary to deliberately seek an individual style or to copy a particular style. This is because, regardless of whether we speak of an individual style, a local style or even a period style, all are naturally formed and are not things which can be deliberately sought.

Second, when we speak of a certain style, it does not refer to something which is developing and changing. Rather, it is a conclusion of creative results and refers to something which has already been formed and is quite fixed. Thus, Gropius did not like his things to be popularized as a style. When he was the head of the Faculty of Architecture at Harvard University, he said: "My intention is not to import routine, uninteresting so-called 'modern styles' from Europe, but rather to import an avenue and method so that people will be able to deal with problems in accordance with the special conditions they (themselves) are faced with." (Footnote 3) (Ibid., p 208) Gropius stressed creation and the need to continually explore new realms. Thus, he did not want to see his achievements solidified as a style. He allowed his students to copy him and did not care whether it was called "international style" or "modern style." These words of his have a very deep meaning and can provide us with some inspiration in correctly understanding modern Western architecture. That is, we can draw in the scientific methods and avenues by which they explore problems and use these methods to handle the problems faced by Chinese architects. We should not painstakingly copy or imitate their "conclusions." Since the conditions in various countries differ, our "conclusions" should be different.

It often happens that people speak of national form as national style. This is not correct. Style has the meaning which Gropius spoke of. Form relates to content. The two have different meanings. If we advocate national form as national style, then it will result in a developing, national form being fixed. In our nation, because of our specific historical and social conditions, it is inevitable that an architectural style will be formed in our nation's socialist period. However, the "new socialist Chinese architectural style" will only be a conclusion of historical development. We should not and cannot set down in advance what the Chinese socialist architectural style will be, and then have everybody carrying out their creation in accordance with the established common characteristics.

Proceeding From an Outstanding Tradition, and Engaging in Innovation

In respect to tradition and innovation, some people like to absolutely and totally affirm or negate one or the other. This is a type of metaphysical, ideological method. The appearance of something new always requires a process of evolution. During the evolutionary process, it always inherits some old things which still have vitality and which can still play a good role. At the same time, it also negates old things which have passed their time and which no longer play a good role. Completely affirming old things is of course no good and, likewise, there is no advantage in completely negating them. Not only did the "Cultural Revolution" completely negate outstanding ancient traditions, but also completely negated cultural achievements since the May 4th Movement and since the founding of the PRC. It can be said that they negated them very thoroughly, but what were the results? Everybody is aware of them.

Lu Xun struggled with the conservative die-hards all his life, but he did not set the old against the new, or completely negate old things. He said: It is like a young person being given a house. What should he do? I feel that he might say without caution, "take it!" If he does not like the old landlord of the house, fearing pollution from his things and thus hesitating to go in, he is a coward. But if he is greatly angered, sets the house on fire, and thinks this preserves his purity, then he is stupid. However if, because he originally admired the old landlord of this house, he accepts everything, joyfully jumps into the bedroom, and greatly indulges in the leftover opium, he is even more of a good-for-nothing. A "taker" is nothing like this. He occupies and selects. If he sees a shark-fin, he does not throw it out on the street to show his "affinity with the common man." Rather, with his friends, he will eat it all up as if it were radish or cabbage. If he sees opium, he will not publicly throw it into the cesspool to show his revolutionary nature. Rather, he will send it to the medicine shop so that it can be used to treat illnesses. If there are concubines, he will request them to go their own way. If not, I am afraid that this "take it" policy will not be able to avoid crises. (Footnote 4) ("Essays From Qiejie Pavilion") This is just as we always say: In respect to ancient and foreign things, we should use the essence and reject the dross. Some people say: "It is very dangerous for a nation to always have ardent feelings for its past." I only agree partly with this. That is, for a nation always to have ardent feelings for the dross of its past is clearly dangerous. However, I disagree in part with the statement. I believe that using the essence of the past is not only not dangerous, but is actually beneficial. If a nation uncritically negates all of its former traditions, then it is what Lu Xun referred to as a "coward." I believe this is actually dangerous. If, on the one hand, the nation's past essences are discarded and both foreign and one's own dross is greatly admired, then it becomes a double danger. As to what is dross and what is essence, how we should transform and how we should absorb, these questions require deliberation and painstaking consideration. Even so, it will be very difficult to avoid a winding path. Lu Xun said: "In the adoption of old forms, there are things which must be done away with and things which must be added, and this will result in the appearance of new forms. This is reform. However, this work is not nearly as easy as bystanders imagine." (Footnote 5) (Ibid.) Lu Xun was a conscientious and determined person in this respect, and was deeply aware of hardships and difficulties. If we adopt the simple method of complete negation or complete affirmation, and think that by this means we can take a short-cut and will not have to exert great efforts, we will find that this is impossible. Lenin said: "Even though beauty is 'old,' we should retain it, and take it as a model, as a starting point. Why, just because it is 'old,' must we discard real beauty, refuse to recognize it, and decline to take it as the starting point for further development? Why, just because they are 'new,' must we adore things as if they are spirits to be worshipped? This is absurd, absolutely absurd. Also, in this field, there are many hypocrites and, of course, when particular art is in vogue in the West, they unthinkingly respect it." (Footnote 6) ("Lenin on Literature and Art," RENMIN WENXUE CHUBANSHE, 1983, p 434) These words are worthy of great thought.

We Should Promote a National Form and Socialist Content

Content is the sum of all the internal factors which constitute anything. Form is the existing pattern and structural pattern of these factors. The structure of all things has specific content and form. As for architecture, architectural content is the sum of all internal factors, including material function, spiritual function, social function and so on, which constitute the architectural work.

Form and content have a contradictory unity, and thus we should use a dialectical viewpoint in looking at the relationship between them. In the last few years, some people have been skeptical about the idea of "national form and socialist content." This in fact is related to their metaphysical ideological methods.

Why should architecture have socialist content? It is because architecture has a material function, a spiritual function, and a social function, and these functions, especially the last two, are not only directly related to ideology, but also involve the social system. Our architecture is intended to serve the building of our nation's material and spiritual civilization. In its material function, spiritual function, and social function, it must accord with the needs of socialist construction, and must manifest the demeanor of socialist spiritual culture. Why should architecture have a national form? It is because it is built on China's soil, is serving China's four modernizations, and is serving the people. It should be established among the laboring masses and reflect their culture, lifestyles, customs, habits, aesthetic viewpoints, and ideological feelings which have been formed through history.

Some people do not support the idea of socialist content and their reasons for this stand are worthy of discussion.

1. Some people believe that promoting socialist content will restrict the creative freedom of architects. This apprehension has a historical basis. That is, the wrong impression given to people by the "10 years of turmoil." Through the bringing of order out of disorder, this problem is gradually being resolved. I believe that socialist content not only will not restrict architects, but will on the contrary be a source and motivation for architects to fully bring into play their own abilities and create freely. Socialist modernization provides rich and multifarious tasks for architects, requires them to use their own assiduous labor to creatively explore

solutions, and requires that their work is voluntarily subordinated to the demands of social construction. At the same time, it requires them to understand the objective patterns of socialist construction. If architects do not understand the objective patterns of socialist economics, and political and economic construction, it will be difficult for them to avoid snags in their work, and we will be unable to even talk about "creative freedom."

2. Some people restrict architectural content to material functions, and thus feel that we should negate socialist content. I believe that in respect of a material function, clearly we cannot talk about any "ism." However, the material function of architecture does not exist in isolation, and is often entangled with its social function. For example, in designing a hotel, it is necessary to consider the service staff's working conditions and health conditions. These are material functions, but different social systems consider such things from different angles. Thus, we cannot evade the question of socialist content.

3. Some people put the question: If we require architecture to have socialist content, what appearance does socialist architecture take? This equates content and form. We say that form must accord with content, but we cannot equate form and content. Socialist content has a specific meaning. For example, in designing we must consider the interests of the majority of the people; we must stress satisfying to the largest possible degree, the people's material and cultural demands, and consciously meet the demands of building the socialist material and spiritual civilizations; we must consciously meet the livelihood requirements, ideas, and hopes of the laboring people, realize a mutual relationship between architecture and overall social life, and consciously consider questions in terms of overall urban environment. There must also be a feeling that architecture, as artistic expression, should advance with a healthy orientation rather than proceed at a low, vulgar level. All of these things are parts of socialist content.

Some people do not endorse the idea of a national style. Their ideas, similarly, have little to support them.

Some people quote Lenin's words: "Within every nation there is bourgeois culture (the majority of nations also have reactionary gang and religious clique cultures); these are not only 'components,' but the cultures which occupy leading positions." (Footnote 7) ("Complete Works of Lenin," Vol 20, p 6) By proceeding solely on the basis of these words, it could also be said that national form is harmful and without benefit. However, in the same article, Lenin says: "Within the culture of every nation, there are, no matter how undeveloped, democratic and socialist cultural components, because within every nation there are laboring masses and exploited masses." As capitalist culture occupies the ruling position in Western society, if this is totally rejected, does that not mean that modern Western architecture will have to be included in what is rejected? What we refer to as national form is linked together with socialist content. It is a form which, by suiting national conditions, is happily accepted by the people, and by better promoting the development of socialist content its core is better combined with the demands of socialist construction and the demands of the masses. Some people believe that having architects "yield" to what the masses like, and that having a "high-level yield to a low-level" will inevitably impede the creativity of architects. This is incorrect. Actually, the more architects accord with the demands of the masses, the more the intelligence and wisdom of the architects can be fully brought into play.

Some people say that national form must exclude new science and technology. This is incorrect. National form requires that, on the old base, there is development and innovation. This requires new science and technology. There is an Indian architect who believes that the modern architectural movement has followed the development of the European historical and cultural traditions, and that if this movement had not occurred in Europe but in India, today's modern architecture would have a different appearance. However, today's developing nations experience the phenomena whereby, faced with the cultural superiorities and scientific and technical superiorities of the West, they lose confidence in their own nation's outstanding culture. This has become a major problem. I fully support his view. China's architects should create a modern architecture with Chinese characteristics to enrich the modern architecture of the world.

Seriously Studying Foreign Countries and the So-Called "Fashionable Architecture"

We are what Lu Xun called "takers," and advocate studying foreign countries. This can expand our vision, inspire our thinking, and enrich our technical and technological methods. In this process of study, it is alright to copy some man-made forms, as long as they reflect the essence and accord with China's needs. For example, since the May 4th Movement our literary circles have translated a great many foreign works of literature, and this has played a positive, stimulating role. This can be considered a type of copying. But translated novels are foreign literature, a point about which there is no dispute in literary circles. I have discovered a difference in architectural circles. Some comrades believe that there is no other avenue than for China's modern architecture to copy that of foreign countries. Their view of foreign countries corresponds to what Lenin said: "When particular art is in vogue in the West, they unthinkingly respect it." They do not question whether it is desirable or not, good or bad, only proceeding from new fashions, blindly following others. They are satisfied with superficial knowledge. I believe that if we do things in this way, we will not be able to realize a truly modern architecture. I have coined a term for this: "fashionable architecture."

In an article, someone claimed to be of the fashionable school and said that following fashion had various advantages. But what he said was nothing more than that modern architecture comes from following fashion, that fashionable architecture is a low-level stage when we are not imitating modern architecture well enough and that there are also the "high-level fashionable things" of Gropius and the other masters. Actually, Gropius once made an analysis of this question. He said: "The development of new architecture encountered serious obstacles at a very early stage of its development. Conflicting theories and dogmas enunciated in the personal manifestos of architects all helped to confuse the main issue...Worst of all, 'modern' architecture became fashionable in several countries with the result that formalistic imitation and snobbery distorted the fundamental truth and simplicity on which this renascence (referring to the modern architecture movement) was based." (Footnote 8) (Gropius, "The New Architecture and the Bauhaus," London, p 20) These words can be considered a reply to the "fashionable school."

In practice, there often occur the problems of making things absolute and of people following others like sheep. If dross is seen, even the essence is rejected. In studying foreign lands, without regard for whether things are good or bad, everything is copied. When problems are discovered, then they return to the old road of rejecting everything. If we are to escape from this pernicious cycle, I believe that the key lies in clearly demarcating the divisions between fashionable architecture and modern architecture. The divisions can be set as follows: 1) Their intentions are different. The former seeks only novelty, while the latter seeks to fully use modern scientific and technological results and advanced productive forces. 2) Their attitudes are different. The former is content with a superficial knowledge of foreign things. It does not differentiate between essence and dross, and lacks an attitude of serious study. The latter stresses taking the essence and rejecting the dross of foreign things. Even though at times differentiation might be unclear, or study may be carried out in a confused way, as there is a serious attitude, the mistakes can be corrected. Thus, it is possible to change from being unclear to being competent and even to excelling. 3) Their points of stress are different. The former puts stress on the outward form, while the latter puts stress on methods, avenues, and scientific spiritual essence. 4) Their methods and styles are different. In the relationship between design methods, forms, and functions, the former does not scruple to resort to trickery and tries to please the public with claptrap. The latter stresses seeking truth from facts. 5) Their results are different. While works of the former may be popular for a while, because they are divorced from reality and divorced from science, they will easily become outdated. The latter, because it has a scientific nature and a down-to-earth nature, will be able to pass the tests of history. The core of these five divisions lies in having a serious seek-truth-from-facts attitude.

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SOME PROBLEMS FACED BY TOWN AND TOWNSHIP ENTERPRISES IN THE COURSE OF THEIR FURTHER DEVELOPMENT

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[Investigation report by Wang Jinggong [3769 1696 0501]]

[Text] Last year, I and several comrades took 20 days off to tour Yenbei, Jinzhou, and Datong of Shanxi Province to investigate and study the conditions of development of the town and township enterprises there. The investigation disclosed: Since 1984, town and township enterprises in our province have developed in an all-round manner and, judging from the momentum of their brisk development, a new high tide of development is in the making. The outstanding manifestations are a high speed of development, a wide range of operations, a high rate of employment, and large increases in earnings and income. According to statistics, at the year end of 1985, the total number of town and township enterprises in the province was over 349,000, an increase of 65 percent over 1984; over 2 million people were employed in the enterprises, accounting for some 28.5 percent of the total rural labor power; the annual gross output value and gross income were estimated to have surpassed 1984 by 53 percent; and the net increase in net profits was estimated at 37.8 percent.

Thus, with thousands upon thousands of households engaging in the enterprises, both the collectives and the individuals have been enriched. Town and township enterprises have occupied a dominant and vital position in the rural economy of our province and are playing an important role in such phases as augmenting the strength of the rural collective economy, finding employment for rural surplus labor power, increasing the peasants' income, compensating and subsidizing agriculture with industry, and building new towns and villages. At the same time, they also represent an important force in promoting the development of industry, communications, construction, the service trade, and commerce in our province and in transforming the distribution of industries between the urban and rural areas.

Strengthening Macroeconomic Guidance: Performing "Double Opening and Double Transforming" Well

Under the conditions of the rapid rise of town and township enterprises, many regions have come to realize that macroeconomic guidance is "grasping the work of direction finding on the compass" and gradually augmenting it. But, seen as a whole, due to the poor quality of the cadres and their lack of sufficient experience, this kind of guidance has not been effective enough. In comparison, the districts and counties have paid close attention to the macroeconomic guidance of town and township enterprises, whereas the relevant departments at upper levels have made little study in this connection. As for the districts and counties, they have tended more toward grasping development of the productive forces and less to the study of the problem of production relations. For example, they have not paid sufficient attention to the reform of the management structure of the town-run and village-run enterprises or to promoting the simultaneous development of the cooperative economy and commodity economy. In regard to the development of the productive forces, they have stressed more the newly established enterprises and less the technical transformation of the existing enterprises, and more the development of production, less serving circulation. In general, they have an insufficient grasp of the whole situation. Conditions of this kind should be speedily rectified.

In strengthening the macroeconomic guidance of the town and township enterprises, the major projects tackled should be different at different times. For the recent period, we should grasp the "two openings" and "two transformings" well. The "two openings" refer to internally developing and externally opening up. The methods of "sparrow tactics" [ma que zhan 7802 7158 2069] and "snowballing" [lu da gun 7533 2092 3340] should be adopted. We should vigorously develop the underground black treasure caves (mining deposits, construction materials), build up the above-ground green treasure caves (agriculture, forestry, animal husbandry, fisheries, and processing industries and trades), open up new markets, pay special attention to developing the poor mountainous regions, and help the local peasants to strive to convert the superiority in resources to superiority in products and commodities. At the same time, it is necessary to further open up to the outside world and introduce and absorb capital funds, technology, equipment, and talented people from outside the counties, outside the province, and even outside the country. Under the current condition of the merging of urban and rural reforms, it is all the more necessary to stress opening the "mountain gates," enter the "city gates," institute urban-rural jointly operated enterprises, sponsor industry-agriculture mutual aid, operate backbone enterprises, and turn out "fist products." By the "two transformings," we mean that we should reform the management structure of town-run and village-run collective enterprises, separate government from enterprise functions, allow the enterprises to operate autonomously, and enforce the responsibility system in production and operation. It is also necessary to carry out the technical transformation of the existing enterprises systematically, in separate periods, and in separate groups. Relatively advanced and appropriate technologies should be employed to gradually replace the clumsy and backward operation methods. Production capacity should be enhanced and economic results should be heightened.

The county is the meeting place of urban and rural economies, and is the frontline command post in developing town and township enterprises. Experience from certain rapidly developed town and township enterprises in northern Shanxi have shown that within the scope of a county, the existing macroeconomic guidance of town and township enterprises should stress the following:

First, it is necessary to take stock of the whole situation and pay attention to coordinating the relationship between agriculture, industry, and commerce. In judging whether or not the developmental speed of town and township enterprises in a certain region is appropriate and whether or not there are problems of "blind development" or "loss of control," aside from studying and analyzing such factors as capital funds, raw materials, and markets, fundamentally we should find out if the relationship between agriculture, industry, and commerce is coordinated or not. Without agriculture, stability will be lacking; without industry, there will be no wealth; and without commerce, there will be no livelihood. The three coexist; none of them should be lacking. As the primary leadership of a county, we must start by developing the rural economy as a whole, attend concurrently to agriculture, industry, and commerce, tightly grasp town and township enterprises simultaneously with tightly grasping grain production, and, by developing town and township enterprises, render services to agricultural production. For example, in regard to capital funds, "industry should subsidize agriculture," and in regard to the projects to be undertaken, we should start processing industries for agricultural sideline products and promote the conversion and increment in value of grain and agricultural sideline products. Only by so doing can there be economic stability and coordinated development in the countryside.

Second, it is necessary to truly find out one's own superiorities. Speaking in terms of the province as a whole, we must firmly insist on the guiding thought of simultaneously grasping the two treasure caves, but, when concretely applied to each county and each town, the principle of suiting measures to local conditions should be especially emphasized. It is necessary to obtain a clear understanding of the natural resources of a locality and grasp social needs and market information. We must start from reality to determine a correct industrial policy and do a good job in arranging the geographical distribution of industry and formulate the regulations governing industry. Not only must we have a clear understanding of what mining deposits we have and which resources are suitable for forestry or for animal husbandry, but also must clearly understand what road to take in transforming the superiority in resources to a superiority in products and in commodities. We must prevent the trend of starting production blindly, competing with each other for speed, seeking high targets, and working simply and purely for output value.

Third, we should grasp the readjustment of production relations and structure and the improvement of management and operations as the main and important points of macroeconomic guidance. The experiences of many regions in our province have amply shown that the full use of the foundation of the original cooperative economy and the active development of new combinations constitute important measures for promoting the brisk development of town and township enterprises. The main portion of the town and township enterprises in our province is related to commodity economy and also to cooperative economy. Here, in the development of the commodity economy and improvement of the cooperative system, the procedure is identical and the objective is the same, that is, development of the productive forces and realization of the co-prosperity of the broad masses of peasants are sought. Hence, an important problem in the current macroeconomic guidance is, through making an earnest investigation and research, how to settle the ownership structure of the town and township enterprises, improve operations and management, and perfect and develop the cooperative economy.

Advocating Urban and Rural Integration and Promoting Industrial and Agricultural Joint Operations

In the investigation, we notice the vivacious situation of the town and township enterprises stretching out their hands to all four directions and vigorously engaging in introducing from the outside and combining in the inside. A new situation of the integration of urban and rural areas and industry and agriculture entering into joint operations was developed in which the peasants "invaded" the cities to operate enterprises while city workers were "invited" into the countryside to serve as teachers. For example, since Ding Xiang County advocated the call of "joining a town with a city and combining a village with a plant," to this date, various forms of joint operations and cooperation have come into being, involving 21 cities and towns, 106 industrial and commercial enterprises, and 18 scientific research units and institutions of higher learning. The forms mainly consist of the following: 1) The spreading of industrial products of cities and towns to the countryside for processing; 2) joint production, with urban industry playing the "principal role" and town and township enterprises playing the "subsidiary role"; 3) the cities providing the countryside with technology and equipment to jointly run new plants; 4) cities and the countryside sharing in raising funds to jointly run enterprises; 5) the peasants displaying their own special skill or using their own capital to go to the cities to start and run enterprises; and 6) town and township enterprises sending personnel to large plants in the cities to seek contracts for work. Starting from the second half year of 1984, in a little over a year's time, 16.4 million yuan of capital, over 340 scientific and technical personnel, and 71 projects of advanced technology have been introduced, enabling the town and township enterprises to gain new development, like "equipping tigers with wings."

The development of joint operations and cooperation under the principle of volition and mutual benefit, which has many layers and is carried out through many channels and in many forms by towns and township enterprises with city plants, mines, enterprises, scientific and research units, and large specialized institutions of learning, breaks not only the demarcation line between cities and countryside and between regions, but also the limitations of the ownership system and the limitations of industries and trades. It converts the "closed-door" type of enterprises to the "open-door" type of enterprises, making the various important elements of the productive forces join together anew and in a larger scope, and furthering the liberation of the productive forces. It not only is an effective way to speedily develop and elevate the status of the town and township enterprises, but also is an important measure to bring the superiority in resources into full play and to step up the economic development of the whole province. It is also an important ingredient in establishing a new type of urban and rural relationship and consolidating the industrial and agricultural alliance in the new period.

The union and cooperation of cities and countryside in recent years has developed under the guidance of the party's guidelines and policies. But at present the economic departments at various levels still lack the necessary leadership organization and have not yet promptly done the needed string-pulling and bridge-building work. Hence, there is still a certain degree of spontaneous and blind work. From now on we must strengthen the organization and coordination of this work, adroitly guide action according to circumstances, do the needling and introductory work, pave the road, and build the bridges, so as to integrate the cities and the countryside and push industrial and agricultural joint operations to a new stage of development. Organs and departments in charge of economic affairs at provincial and municipal levels should earnestly carry out investigation and research, find our clearly the conditions of the urban and rural areas, do a good job in formulating the regulations, and, in a planned manner and systematically, distribute and spread to the rural villages all the products (including spare parts for processing) which can be so distributed and spread out. The province should have plans to call urban and rural discussion meetings on economic technology at appropriate times, and the economic departments should act as the go-between to clear the channels for urban and rural integration and joint operations in industry and agriculture. Enterprises, scientific research units, and large specialized institutions of learning in the cities should be mobilized to provide the town and township enterprises with advanced technology and help them to train various kinds of talented personnel. They may proceed to the towns and townships to establish schools and start training courses, or the town and township enterprises may send people to the cities to study and to learn, or factories, mines, and scientific research units may take over the personnel training work. Furthermore, we should advocate and encourage retired scientific and technical personnel and technicians to go to the countryside to help the town and township enterprises to meet their insufficiency in technical strength.

Carrying Out Technological Transformation and Augmenting the Enterprises' Reserve Strength

The rise of the majority of town and township enterprises has been by means of native methods and in a native way. In general, they started at a rather low level of industrial technology. In order to increase their production, heighten their effectiveness, and strengthen their reserve strength, they need to continuously go through the process of technological transformation.

Judging from the results of the investigation, the mining industry, metallurgical industry, and the construction materials industry all urgently need technological transformation. The technological transformation of these industries should be taken up at separate periods and in different batches.

For the present, major efforts should be devoted to improving the production conditions and enhancing the production capacity. After the enterprises have increased their accumulation, they should gradually promote suitable applied technology and develop intensive processing. In this regard, a number of worthy examples have already emerged. For example, in developing township small coal pits, the Wu Jiayao township of Huan Ren County, through summing up past experiences and lessons and teaching the cadre masses to attend assiduously to their current jobs and make long-range plans, adopted the guideline of "maintaining coal with coal, making self-transformation, and speeding up arming the pits with equipment." In the past 6 years, they have invested over 6.1 million yuan in technological transformation, made profits amounting to 51.8 percent of the gross profits of the town and township coal pits, realized semimechanized production, steadily increased coal output, raised the township's per capita annual income to over 1,000 yuan, and become the "richest" township of the whole county. Experiences of this kind deserve to be earnestly summed up and propagated.

Simultaneously with firmly grasping technological transformation, it is necessary to gradually take into consideration the overall technological progress of the town and township enterprises. The food, seed, and timber processing industries should insist on the guideline of walking on two legs within a definite period of time. These industries should vigorously develop workshop-like enterprises which are mainly run by individual households or a group of households, bring traditional artcraft into full play, and devote efforts to products that are new, small in size, and concentrated. This is one of the legs. The other leg calls for the planned building of certain points for the establishment of a number of relatively larger factories which employ new technology and new artcraft. In city outskirts and towns and townships possessing the necessary conditions, attention should be paid to appropriately developing certain industries of the technologically-intensive type. At present, Jinzhou, Yuanling, Dingxiang, and the southern outskirts of Datong city and certain other counties and cities have already set up a number of technologically advanced and profit-making enterprises. Their experiences show that town and township enterprises have immense potential for technological progress and bright prospects ahead.

Taking as the starting point the making of everything conducive to technological transformation and technological progress, we should actively guide the town and township enterprises to correctly handle the relationship between consumption and accumulation. In regions where town and township enterprises have just made a start and in enterprises which must undergo technological transformation, at present the distribution of income to the individual (including the standard wages of staff members and workers) should not be too large and we should not one-sidedly emphasize making the individual affluent or inappropriately advocate a high rate of consumption. We should strongly rectify the tendency of "dividing all and consuming all" that has appeared in certain localities and enterprises. Depreciation funds should be duly set aside in accordance with a fixed standard. Similarly, joint accumulating funds should be set aside according to appropriate ratios so as to raise funds to equip the enterprises and thus to augment their reserve strength. In addition, for the purposes of the technological transformation of the enterprises, other sources of raising funds should be opened up by resorting to such means as share subscriptions, profit-retention from joint operations, compensation trade, and so forth.

Opening Up Diversified Channels; Performing Circulation Service Well

Performing circulation services well is a necessary requirement and an important content of specialized, commercialized, and socialized production. To a large extent, whether or not a newly organized enterprise can be consolidated and developed is determined by whether or not the supply of raw materials can be ensured and the products can be promptly marketed. Commercial and service trade activities also offer a road to affluence and well-being.

Seen from the investigation, in improving circulation, the rural supply and marketing cooperatives have done much work and so have the transport and marketing companies of town and township enterprises and the urban-rural commodities exchange fairs universally held in various localities, performing a definite role in this respect. However, the whole circulation area has not yet formed a network and its degree of socialization has not been high enough. The channels are not smooth enough and information is not to the required standard, all of these being highly unsuited to the development of production. This is a problem urgently requiring solution. For the present, we may consider grasping the following lines of work:

First, the towns and villages should devote great efforts to tightly grasping preproduction and postproduction services. For example, they should develop, in a planned manner, specialized organs to render preproduction and postproduction services to the town and township enterprises. The organs may be new cooperative enterprises specially engaged in circulation and in rendering services, and may also be a relatively independent operations arm of the cooperative economic organs originally in existence. By so doing, development of the town and township enterprises will be benefited and so will the rural cooperative economy be benefited and improved.

Second, above the county level and in accordance with the condition of the development of the localities, a number of industry and trade federations and federations of specialized trades may be established to provide information, organize services, and strengthen coordination for the town and township enterprises to develop production and improve circulation.

Third, it is necessary to vigorously develop specialized households for commerce and the service trade, encourage the establishment of translocality, transindustry and transtrade, and transdepartmental circulating service organs which integrate agriculture and industry, agriculture and commerce, and agriculture and industry and commerce, strengthen the guidance over their operational activities, and fully display their active role in market regulation.

Fourth, in the reform of the supply and marketing cooperatives, it is important to clearly designate that rendering services to town and township enterprises should be one of their important tasks. The spirit of services of the cooperativization high tide of the 1950's must be displayed and the urgencies and thoughts of the town and township enterprises must be shared. It is necessary to transform the current situation of the majority of the supply and marketing cooperatives confining their activities to selling industrial goods of daily use to the rural villages and doing a little purchasing of certain agricultural sideline products and native products, and to incorporate into their main scope of business the rendering of services to town and township enterprises by marketing their various products, purchasing for them raw materials and equipment and providing them with technological data, market information, and so forth.

Actively Supporting the New Combination Bodies Among the Town and Township Enterprises

The investigation has found that on the basis of the brisk development of household-run and households jointly-run enterprises, approximately 15 to 20 percent of them have developed into a new type of economic combination bodies. These new combination bodies have flexible and variegated operational forms. In general, these are: Equality in the share subscription of capital and strict adherence to the principle of distribution according to work; proportionate distribution according to labor and capital; capital and labor jointly making share subscriptions and distribution according to shares; labor with capital joining cooperative enterprises; and profit distribution on a 50-50 basis between labor and capital.

These new economic combination bodies are entirely the peasants' voluntary joint undertakings. The peasants are masters of their own houses. They run the organs independently, are responsible for their own profits and losses, and are free from the remnant effects of the feature of being large in size and collective in nature of the people's communes. Among them, many have already acquired a definite scale of production and operations, a comparatively normal, regular, and organized leadership structure, and a definite system of operations and management (including business accounting, auditing, distribution, and so forth). They also have fairly sizable fixed assets, common accumulations, definite types of products and marketing channels, rather extensive operational channels, and relatively good economic results. Through the renewed assembling of the various important elements of the productive forces, they have formed new production relations, further liberated and extended the productive forces, become beneficial to the common affluence of the broad masses of the cooperative members and to the simultaneous development of commodity economy and cooperative economy, and are an important factor in the rural cooperative economy. Organs at various levels should actively support their development and earnestly strengthen the leadership work over them.

The principle of volition and mutual aid should be closely adhered to and insisted on from beginning to end so that "joining is voluntary and withdrawing is at one's liberty" and so that they may develop of their own accord and avoid repeating the past measures of overall contracting and substituting, abject subservience to administrative orders, literally pulling up the plant's roots to help its growth, and "blowing a gust of wind" or doing "once and for all." The new type of economic combination bodies may take the form of a closely knitted union or a rather loose combination; they may also be composite enterprises or perform purely specialized types of cooperation. It is necessary to suit measures to local conditions, suit measures to trades and industries, and be flexible and diversified and not confined to any one form but allow the masses to make voluntary selection.

The stress on volition and mutual aid is not equivalent to letting things drift but means using correct methods to guide and to help. Leadership at various levels and rural cooperative organs should principally grasp the following methods well: providing information and guidance and helping in the determination of joint projects; helping to solve problems of factory site and equipment; helping to establish a healthy operations and management system; helping to open up marketing channels for the products; providing certain types of support in the form of loans under the precondition of the organs raising some of the funds themselves; stepping up ideological and political work and establishing party and Youth League branch organs; and so on.

Earnestly Doing a Good Job in Handling Town-Run and Village-Run Collective Enterprises

The investigation has found that in the course of enforcing the rural production responsibility system, the great proportion of the original commune-run enterprises had been retained and that of the original brigade-run or team-run enterprises, a portion had been dissolved while a portion had been retained. In the reform, the retained enterprises had displayed new vitality. In recent years, in various regions, a number of town-run and village-run enterprises have come into existence. These enterprises are generally of a rather large scale. Their output value is generally rather large. They have provided employment to a large rural surplus labor power and played an important role in such phases of work as compensating agriculture with industry, reducing levies, promoting welfare enterprises, and guiding the development of household-run and jointly-run household enterprises. At present they still constitute the main portion of the town and township enterprises in our province.

Nevertheless, many problems still exist in town-run and village-run collective enterprises.

First, in many regions, the starting point of the county, town, and village cadres in running town and township enterprises is, to a large extent, solving the economic difficulties of the town governments or the CPC village committees and increasing the "mobile financial power."

Second, a state of government replacing the enterprise and the nonseparation of government from enterprise functions is relatively general.

Third, in income distribution, many towns (townships) do not allow any retention by the enterprises out of the after-tax profits; some even seldom, or not at all, provide any redistribution to the peasants, but let the town government dispose of the funds at will. Some projects in support of agriculture and public welfare projects are purely symbolic. The enterprises and the peasants have complained much about this.

Fourth, a rather large number of town and township enterprises still lack decisionmaking power, show generally poor operations and management performances, and are in a confused financial state.

These problems show that the remnant effects of the phenomenon of being large in size and collective in nature have not yet been fully banished. This not only impedes the continued progress and smooth development of rural collective enterprises, but also produces certain injurious influences on the development of household-run enterprises and jointly-run household enterprises. From now on, they must be satisfactorily solved in the reform. This is of key importance to the development of the town and township enterprises in our province at present. Seen from the experiences of certain regions, this work must be integrated with that of perfecting the cooperative economy. On the basis of the separation of government from enterprise functions and the establishment and improvement of regional cooperative-economic organs, it is necessary to clearly designate the regional cooperative-economic organs to have full power to handle all matters (operational guidelines, management systems, distribution, accumulation, profits and taxes, assets, and so forth) pertinent to the town-run and village run collective enterprises (including newly established enterprises). The urgent tasks before the economic combined societies and the village cooperatives after the separation of government from enterprise functions are to improve and perfect the contract responsibility system (in general contracting should preferably be done by the collective with the plant head taking up the responsibilities) of the town and village enterprises, to pursue accounting and auditing of assets and funds, to consolidate the enterprises' operations and management, particularly financial management, and to reform the distribution system. The principle of returning power and providing benefits to the people must be adhered to; measures must be suited to local conditions and guidance should be carried out separately; and taking the actual conditions of the towns and townships to start with, we must designated a fixed ratio of the after-tax profits for the enterprise to retain a portion, for distributing a portion to the cooperative members, and for delivering a portion to the finance department of the town. The finance department of the town should strengthen its supervision of the finances of the town and village enterprises.

The potential of this phase of work is enormous. If performed well, it can play a large promotional role in the development of town and township enterprises and the whole rural economy. Unfortunately, the tasks are rather difficult ones and certain ideological resistance may still be found among the two levels of cadres, namely, the town level and the village level. Judging from the phenomena of the current scene, some cadres are not willing to "let go" of their grasp of the town and township enterprises while some other cadres "do not care to be bothered at all." The origin of these two types of ideology is a lack of the spirit of serving the people with whole heart and soul. To solve this problem, it is necessary to integrate the reform of the management system of the town and township enterprises with the current party reform, step up the education in party character for the broad masses of rural cadres who are party members, and pursue patient and meticulous ideological and political work. At the same time, persons who are at the required level, are capable, and truly have the intention to work for the populace, should supplement and fill the leadership ranks.

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A TENTATIVE DISCUSSION ON STRESSING THE SCIENTIFIC NATURE OF TARGET MANAGEMENT DURING A DIRECTOR'S OR MANAGER'S TERM OF OFFICE

Beijing RED FLAG in Chinese No 6, 16 Mar 86 pp 38-41

[Article by Jin Wen [7855 3080]]

[Text] If a director or manager were to have no targets at all and take things casually, it certainly would not work; and if the targets are not scientific in nature and not overall, many drawbacks will probably occur. Still, to talk about targets alone is not sufficient; it is necessary to start by talking about "responsibility."

Necessity of Having an Integrated Understanding of a Director's or Manager's "Responsibility"

The director or manager of an industrial or commercial enterprise is its principal responsible person. Of the triumvirate of responsibility, power and interest, "responsibility" is the precondition and the nucleus. "Power" is essential to being "responsible," while "interest" is the fruit of being "responsible." "Power" cannot stand without "responsibility," while "interest" cannot be generated without "responsibility." "Responsibility" is the basis on which the director or manager fixes the target for the term of office. If the concept of "responsibility" is not made clear, errors will creep in when fixing the target for the term of office.

In the minds of some comrades, it seems that the responsibilities of being a director or manager are equivalent to "treating the staff members and workers fairly." Hence, the target of a director's or manager's term of office has become the extent to which staff salary and wage levels can be raised, the amount of bonuses that can be granted to them, and the size and number of staff dormitories that can be built. Due to taking the raising of staff incomes and of their welfare level as the main responsibility of the director or manager, the phenomenon of the "3 tappings and 1 ensurance" has arisen. The first is tapping the state, principally shown in tax evasion of various sorts; second is tapping or cheating the consumers (including consumers of daily necessities and consumers of means of production) such as cheating in weight and measurement, offering substandard goods in lieu of standard goods, mingling goods of good and bad quality and offering imitation or fraudulent goods, and disguised price rises; and third, tapping the enterprises, shown principally in "eating up capital," abusing the use of equipment, lavishly expending resources and pursuing plunder-like business tactics, so as to pay high salaries, wages and bonuses, or fraudulently reporting profits in lieu of losses and thus causing serious deficits inside a plant. "One ensurance" means that even under poor operation and management conditions and with a low level of economic results, relentlessly keeping the level of the staff's compensation and bonuses from falling or even raising it. By so doing, may the director or manager be presumed to have fulfilled his own responsibility? No!

Socialist enterprises have the obligation of paying taxes to the state, as this constitutes the main source of the state's fiscal receipts. In their capacity as representatives of the enterprises, directors and managers have the responsibility of paying the taxes according to the regulations. Socialist enterprises under the system of ownership by the whole people are commodity producers and operators who are relatively independent, can operate autonomously and are responsible for their own profits and losses; the whole staff engages jointly in work and enforces the systems of distribution according to work and democratic management. The state endows the director or manager with power and authority, and the director or manager, representing the interests of the state and of the enterprises, must correctly carry out the guidelines and policies of the party and government, organize the broad masses of staff members and workers to devote utmost efforts to production, raise the economic results, continually make more contributions to the four modernizations, and, at the same time, enhance the income of the staff members and workers and the level of collective welfare. The socialist production objective is constantly meeting the daily increasing needs of the material and cultural lives of the broad masses of people. Each and every enterprise, in the course of production, circulation and exchange, not only provides other enterprises with the goods needed for production consumption and livelihood consumption but is also a consumer of the products of other enterprises. Each and every enterprise must watch out not only for its own economic benefits but also the benefits of society at large. Only by so doing can there be social development. Being since all are consumers, if any should endeavor to harm the interests of the consumers, then all would be harmed and everybody's living standard and quality of living could hardly be improved. Hence, from the standpoint of socialist production objective, each and every enterprise's director or manager has the responsibility of protecting the interests of the consumer but never the power to damage the consumers' interests. The assets of socialist enterprises are owned by the whole people or the collectives. They are the main constituent parts of society's material productive forces and also the material conditions which the broad masses of staff members and workers borrow in order to work, to survive, and to progress. Each and every director or manager has the responsibility to protect and enhance these properties but no right to use them lavishly or damage them.

A director or a manager, during his term of office, should be responsible not only for the enterprise's current operating conditions but also for adding reserve strength to help the enterprise's future development. Generally speaking, the course taken by an enterprise to grow from its inception to maturity is a prolonged one whereas the term of office of each and every director or manager is but a portion of this prolonged course. The survival and development of an enterprise is also continuous. What kind of foundation an outgoing director or manager leaves to his successor is directly related to the enterprise's destiny and future. Therefore, the current director or manager has the responsibility of laying a firm foundation and paving a smooth road to the enterprise's future development. If we do not point out this problem, then it is tantamount to allowing certain directors or managers to pursue plunder-like operations vis-a-vis the enterprise, to build their "glorious results" on a foundation that gives the enterprise only a short life, and to set up "successful exploits" during their term of office but leaving the legacy of a heavy burden to their successors.

Setting Up a Perfect Target Structure

Since a director's responsibility is not unitary, the target is also not unitary but is a system of structure. The structure must be perfect and possess the character of being complete, advanced, and reliable.

The so-called completeness of a target structure means that the contents of a director's or manager's "responsibility" must be of a concrete nature and possess definite targets. The whole target structure should comprise: First, targets on the quantity, quality, variety, gross output value and economic effects of the products. Under the target of economic effects should be certain subdivisions such as those related to the taxes and profits delivered to the upper levels which indicate the contributions made to the state; and those related to the staff's income and welfare benefits which indicate the actual benefits brought to the staff members and workers and the solution for them of their urgent problems. Second, targets for increasing the enterprise's strength and "reserve strength," including targets related to renovation of equipment, adoption of new technology and new artcraft, personnel training, increase of enterprise's assets (including self-owned circulating funds), and so forth. Third, targets for benefits to consumers, that is, increase of social benefits, including targets related to improving and increasing the color, design, and variety of the products needed and liked by the consumers, guarantees and protection of quality and quantity, timely delivery of orders, exemplary adherence to commodity price policies, good performance of service before, during, and after sales, raising the enterprise's reputation and the good name of the products, and so on. In addition, improvement of the quality of the staff members and workers and training of the technical force should be included.

The advanced character of a target structure is manifested in the degree and level of the director or manager carrying out his "responsibilities." The existing problems are: In fixing the targets for his term of office, the director or manager often fixes a high output value, because this is flexible. The target for raising the staff's salaries, wages and bonuses, and collective welfare is usually fixed high while the target for delivery of taxes and profits is usually set relatively low. The economic benefit target usually lacks an advanced character. For example, when fixing the target for realized profits (including per capita profit and tax rate, profit and tax rate on output value, and profit and tax rate on capital), preference is often given to vertical comparison, that is, comparing the present with the past, and often also to a roundabout comparison, that is, comparing the current year with the preceding year. In choosing targets in this manner, the director or manager concentrates only on his own enterprise and only on the past. His vision is thus very narrow and he can hardly perceive an advanced target. Of course it is not that a vertical comparison should not be made but rather care should be given to making a horizontal comparison. In vertical comparison, the comparison must be made with the enterprise's past highest level so that there can be no unwarranted satisfaction just because the preceding year was not up to expectations due to some unexpected events. A horizontal comparison is preferable because it can widen a person's vision. Not paying any attention to horizontal comparison may make an enterprise complacent about its current achievements and it could subsequently be drowned in an ocean of competition. In particular, in regard to the economic benefits of an enterprise, the level of consumption of materials and the quality and quantity of products of industrial enterprises and the level of expenditure and the service and attitude of labor provided by commercial enterprises, comparison should be made not only with enterprises in the same industry or trade within the same county, city, or province, or country but also with the international level of the same industry or trade. Also, comparison should be made with advanced enterprises whose internal and external objective conditions are in general similar to those of the enterprise under comparison but also with advanced enterprises whose internal and external objective conditions are superior to those of our enterprise. Only by so doing can we correctly determine the targets for the various stages of an enterprise and make the director's or manager's targets during his term of office become advanced and workable.

The reliability of a target structure manifests the degree of the realization of the director's or manager's responsibility. What is the criterion of reliability? First, it is determined by whether or not the target structure is workable; and second, the measures taken must be effective ones. If the measures are ineffective and not up to standard, grand-looking scales and pleasing targets can amount to nothing. At present, the targets of output value and profits formulated by some directors and managers are the outcome of "projection." Using a certain rate of progressive increase, the current year's actual results are projected to form the target for the next year while next year's actual results are projected to form the target for the next year while next year's target is in the same way projected to form the target for the year after next. The process is thus continued but no mention is made of what definite measures are to be taken for the realization of the targets. Or, although there is a plan, questions as to how to tap the potential, when to increase, and how much to increase, the production capacity, what new products to be developed, where the needed funds will come from, and so on, are left unanswered. A target structure of this kind is the product of imagination. Its foundation is built on sand and is not reliable.

As for the state's large and medium-sized backbone enterprises, in order to ensure that their directors' or managers' target structures for their terms of office are complete, advanced and reliable, the departments in charge of the enterprises should first consult the departments in charge of finance, auditing, planning, taxation, banking, labor and wages and the trade unions. After revision and supplementation, the target structures should be taken up for discussion at the congress of representatives of the enterprises' staff members and workers. This process should be carried out level by level.

Integration of Checking and Assessment During Tenure of Office With Post-Tenure Checking and Assessment

Checking and assessment is an important measure in enforcing the control and management of targets during a director's or manager's tenure of office. A complete or integrated target structure is the basis for checking and assessing a director's or manager's real ability and real contributions. Simply looking at the growth in output value without looking at the amount of realized profits is not sufficient to check and assess a director's or manager's operation and management level and his actual accomplishments but to look only at the realized profits of the enterprises without knowing how the director or manager handles the interest relations between the state, the enterprise, the staff and the consumers is likewise not sufficient. This is because there may be falsehood in the reported gross profits of an enterprise. Concretely speaking, it is possible, by means of evading taxes, or concealing a part of the cost of production, or failing to cut down the prices of questionable products and commodities stored up in the warehouses, to show false profits in lieu of actual losses. It is also possible to harm the consumers' interests by questionable means and thus to increase the enterprises' earnings. However, if we have a clear objective of protecting and increasing the interests of the state, the enterprise, and the consumers and supplement it with stern and strict measures of checking and assessment and punishment and reward, then the only way open to the director or manager is to do hard and real work in the improvement of operation and management.

In real life, the following situation is frequently seen: The department in charge of the enterprise stresses the delivery of taxes and profits in assessing and judging the director or manager while the staff members and workers evaluate a director or manager simply by how much he increases the staff's salaries, wages and bonuses as well as welfare benefits. Thus, it is easy to overlook the long-term interests of the consumers and of the enterprise itself. In both cases, there is hardly any way to effectively restrain the director or manager. In certain enterprises, so long as the products are sold, any damage done to the consumers will not affect the director or manager one bit. Although we may try out ways and means from outside the enterprise to protect the consumers' interest, it is of no avail. Hence, in checking and assessing a director's or manager's "real accomplishments," the views of the consumers should be heard, and a test of public opinion should be made within this scope. When the tenure of office of a director or manager is about to expire, witnesses should be invited to check and assess the assets and take stock of the properties of the enterprise to find out if there has been any increase in assets and whether or not there are loopholes and a burden left behind. Even though the director or manager has already vacated his post, we cannot be perfunctory and only after the merits and demerits and rights and wrongs have been made clear can the director or manager be allowed to hand over the post to his successor. If not, then there is the danger of a publicly owned enterprise being "eaten up."

Aside from checking and assessing during the tenure of office, it should be supplemented by post-tenure checking and assessment. This is because the work of a director or manager cannot necessarily produce the desired effects during his tenure of office and hidden problems may not necessarily be revealed or potential consequences manifested during the tenure of office. Only when checking and assessing is made during the tenure of office and after it can the talents and contributions of a director or manager be fairly and completely evaluated. This affects the reserve strength and reputation of an enterprise.

A director or manager who cares for the long-term interests of the enterprise during his tenure of office, may have effected the utmost "retrenchment" in carrying out various projects and devoted great efforts to training up talented personnel and frequently the production capacity and economic effects can only be seen during the tenure of his successor. But in checking and assessing the work of the cadres, these successes are frequently ascribed to the successor. Thus, the preceding incumbent did a good job and retired and his successor reaps the benefits and receives the award and commendation despite having made only a small contribution, or no contribution at all. In contrast, we could find directors and managers who would carelessly sacrifice the long-term interests of the enterprises in order to please their superiors and staff members and workers, are eager for quick results and instant benefits, care for the present without any regard for accumulating any "reserve strength," or would even go so far as to borrow money to pay salaries, wages and bonuses and to deliver profits to the state. On the surface, everything may look normal but in reality the enterprise suffers from a large internal deficit. Moreover, some directors or managers make a "mess of buying and selling," hardly care for name or credit, and in fact rely on harming the enterprise's reputation in exchange for certain "benefits." By so doing, the current incumbent seems to have accomplished "superior results," whereas actually, his successor will be surrounded by difficulties.

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IDEALS AND RESISTANCE TO CORROSION

Beijing RED FLAG in Chinese No 6, 16 Mar 86 pp 41-43

[Article by Shen Baoxiang [3088 1405 4382]]

[Text] A vivid and lively situation has occurred everywhere in our country as a result of the implementation of the party policy of opening to the outside world and stimulating the domestic economy. The policy of opening to the outside world and stimulating the domestic economy not only forcefully promotes the building of material civilization, but also produces multifaceted influences on the building of spiritual civilization. However, we should realize that under the new situation, there is also a new development in corrosion by decadent bourgeois ideology. After reviewing many important cases of violating the law, which have happened in recent years, we know that some corrupt party members and cadres were involved in them. Such horrid facts have posed new problems for us that our party members and cadres should strengthen the dikes of resistance to corrosion in order to guard against attack by sugarcoated bullets. To attain this objective, the most important thing for us to do is to uphold communist ideals at all times.

Communist ideals are spiritual pillars of our revolutionaries. Today, they are not only strong motivating forces which encourage us to carry out reform and the "four modernizations" program, but also a powerful ideological weapon which ensures that under complicated conditions "neither riches nor honors can corrupt us, neither poverty nor a lowly condition can make us swerve from principle, neither threats nor force can bend us," and that we will be able to consciously resist corrosion by the decadent ideology of the bourgeoisie and other exploiting classes.

Communist ideals can help us resist corrosion, because, first, by having firm communist ideals, we will be able to adhere to the correct political orientation in complex environment. The lofty objectives and ideals of communism are based on the communist ideological system. This ideological system has pointed out the general historical trend that capitalism will inevitably be replaced by socialism, and that the society of mankind will eventually march toward communism. It has also pointed out the difference between socialism and capitalism. In the course of coming into contact with the capitalist world, this will help us keep a clear head, maintain a firm stand, and avoid being misled by certain superficial phenomena, and lured by the corrupt things of the dazzling world of capitalism. For historical reasons, the economy, science, technology, culture, and education of our socialist China still lag behind those of capitalist countries. However, the superiority of our socialist system is being increasingly and markedly demonstrated. The socialist economy is based on public ownership, and its purpose of production is to satisfy to the maximum the material and cultural needs of the people, rather than serving private interests of the exploiting classes. Due to the fact that our socialist economy does not cause polarization, our people have shared common social ideals, and moral standards. They have demonstrated their powerful spiritual strong point in communist ideals and beliefs. Although developed capitalist countries have tremendous material wealth and advanced science and technology, and appear prosperous, they are unable to solve their own acute contradictions or avoid economic crises; the practice of each trying to cheat, outwit, or harm the other; and various kinds of extremely severe crimes, degeneration, and despair. Therefore, all the people in capitalist countries, who are progressively inclined politically are trying to study and publicize socialism and struggle for the elimination of various unjust and irrational phenomena in capitalist society and for the realization of socialist revolution. Therefore, in the process of opening to the outside world and selectively importing advanced science and technology and scientific management methods from capitalist countries, we should on no account learn from or import the capitalist system and various ugly and decadent things. On the contrary, we should resist these things. Under the present situation, as communists we should have our basic attitude toward socialism and capitalism. In our practical life, there are many examples which show that some of our comrades can adhere to the correct political orientation because of their firm communist ideals in the course of dealing with the capitalist world. For example, when some comrades were engaged in advanced studies in foreign countries, they studied hard, and were never swayed by money or the material comforts of capitalist society. What was always uppermost in their minds was that they were the builders of socialist China, and that they were studying with the aim of reinvigorating the Chinese nation. In economic activities related to foreign countries, some comrades paid attention to learning from the strong points of others. They were conscientious in their work. They resolutely refused bribes and seduction of lawbreaking foreign businessmen. In so doing, they guarded our national dignity and pride. These comrades have imported advanced technology from foreign countries, and contributed to the socialist construction of the motherland. In addition, they are also respected by people at home and abroad. However, some people admired and yearned for the luxurious life of the bourgeoisie, and appreciated and spread those decadent things such as pornography, violence, weirdness, and so on, propagated by capitalist society. They treated them as treasures. Some of them even did ugly things which harmed our national dignity and pride and departed from the socialist path. In the final analysis, the reason they did this was that they did not have, or had abandoned, their communist ideals.

Second, the core of the communist ideological system is collectivism. With communist ideals, one can persist in the purpose of serving the people wholeheartedly, and resist the corrosion of the bourgeois individualist ideology. Contrary to communist ideals, the core of the bourgeois ideological system is individualism. The views of communists on life and values are completely different from those of bourgeois individualists. A person who has communist ideals and has taken the realization of communism as his own task, is bound to be a conscientious representative and defender of the national interest. Therefore, he can remain steadfast in his principles in the face of evil winds and noxious influences of all forms, and will never be swayed by money or material comforts. One of the salient features of the corrosion of the decadent bourgeois ideology is that the individualism of certain persons is regarded as a breakthrough point. Money is used to open up the way, and the persons concerned are corrupted step by step. A tiny number of Communist Party members and cadres have yielded to the temptation of money or material comforts because they do not have firm communist ideals, or are seriously influenced by selfish ideas. They have accepted "payment because of benefits gained," "gifts," or even undisguised bribes. In so doing, they eventually became captives of bourgeois ideology, and fell into the net of justice.

Of course, since Communist Party members live in a practical world, various kinds of ideologies will inevitably find expression in their minds, and unhealthy ideas of this or that kind will exist among them. This is not at all unusual. However, as long as one has firm communist ideals and beliefs, he will unswervingly study hard, strengthen his ideological cultivation, "use proletarian ideology to fight against nonproletarian ideology, use the communist world outlook to fight against various kinds of noncommunist world outlook, and use proletarian principles, which place the interests of the party and people above everything else, to fight their own individualist ideology." ("Selected Works of Liu Shaoqi," Vol 1, p 121) In so doing, certain healthy ideologies in their minds will be constantly overcome, and they will not become a crack through which decadent bourgeois ideology and various kinds of evil winds and noxious influences can penetrate.

Third, a person who has fostered communist ideals will also have lofty moral values. Proceeding in all cases from serving the people wholeheartedly and the spirit of absolute selflessness, a communist is bound to have a lofty realm of thought, moral concepts, values, and aspirations. This type of person profoundly understands the aim and significance of his life. Therefore, although he might lead a comparatively hard material life, his spiritual life is magnanimous. It is impossible for him to accept the decadent way of life and culture of the bourgeoisie and all exploiting classes, who lead lives devoid of meaning. It is impossible for him to accept bourgeois ideas characterized by the practice of each trying to cheat and outwit the other and securing private interests by force and trickery for the sake of making a fortune. This is not just logic, but has been proved by the glorious life of communists. Marx was poor all his life, but he repeatedly refused to be bribed by the Prussian authorities. He not only established theories on scientific communism for us, but also set a good example in fostering lofty morals and values. Martyr Fang Zhiming handled funds for the revolution in sums of several million yuan, but he always lived a thrifty and simple life. He never lived in luxury. After he was arrested, the enemy searched him, but could not get even a copper coin from him. The enemy's effort to combine threats with inducements against him was of no avail. In our revolutionary ranks, such examples are too numerous to mention. The good 8th Company on the Nanjing Road is a good example, and so are the many comrades working in customs and in posts for suppressing smuggling. There was a party-member cadre who rejected gifts and bribes more than 10 times. Nothing could lure her, whether it was a watch, or a large sum of money. She said: "A large sum of money means nothing to me. The prestige of the party and the moral character of a party member are far more valuable than money!"

We should educate party members and cadres so that they can adhere to communist ideals and consciously resist the corrosion of the decadent ideology of all exploiting classes under the complex environment of struggle. This is an important historical experience of our party. During the period of the war of resistance against Japan, our party established a united front with the bourgeoisie. In the base areas of resisting the Japanese, we let the capitalist economy develop. When party members and cadres were in contact with the bourgeoisie, the CPC Central Committee reminded them that some Communist Party members might be corrupted by the bourgeoisie. It also stressed that "we should seriously and resolutely preserve the communist purity of the party members." ("Selected Works of Mao Zedong," Vol 3, p 751)

On the eve of the founding of the People's Republic, in view of the fact that the work focus was shifted to cities after the victory of the revolution, and that some comrades might not be able to withstand the attack of the sugarcoated bullets of the bourgeoisie, the CPC Central Committee once again issued a warning to the whole party so that party members would not be defeated by the sugarcoated bullets. We have been implementing a policy of opening to the outside world and enlivening the domestic economy since the 3d Plenary Session of the 11th CPC Central Committee. The CPC Central Committee has stressed again that while building a high level of material civilization, we should build a high level of socialist spiritual civilization. It has also emphasized that the more we try to open up our country to the outside world and enliven the domestic economy, the more attention we should pay to resisting the corrosion of decadent capitalist ideology and to overcoming the malpractice of abusing power for private gains. It has stressed the importance of providing education in ideals and discipline in order to preserve the communist purity of the party members. In the past, we kept firmly in mind the teachings of the CPC Central Committee so that we could resist the corrosion of decadent bourgeois ideology, and win a great victory in both revolution and construction. In the course of opening to the outside world and enlivening the domestic economy, as long as we strengthen the building of socialist spiritual civilization, provide more education in ideals, morals, culture, and discipline, and raise our consciousness of resisting corrosion, we will certainly win a new and great victory in socialist modernization and all-round reform!

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WHAT ARE THE SYSTEMS OF PRICING AND PRICE CONTROL AND WHAT IS THEIR RELATIONSHIP?

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[Article by Bian Yongzhuang [6708 0516 1104]]

[Text] China turns out several hundred thousand commodities, the prices of which vary according to different specifications, designs, colors, styles, and quality. The different stages in the process of production and circulation and the different localities and seasons result in the several hundred thousand commodities having as many as 1 million prices. These prices constitute an organic whole, linking up with, and conditioning, one another. This is precisely the system of pricing.

The system of pricing consists of two principal parts: the system of price parities and the system of price differences. It develops in light of the conditions in various national economic departments and includes the prices of farm produce and manufactured goods, the costs of transport, communications, and construction, and the charges for serving food and drink and for labor services. The proportional relationships among them and among the prices in various departments develop into a system of price parities, such as the price parities between farm produce, between manufactured goods, and between industrial and agricultural products. In the course of circulation, commodities also have different prices at different stages of circulation, and thus develop a system of vertical price differences, such as differences between buying and selling prices and between wholesale and retail prices, regional price differences, seasonal price differences, and price differences between goods of different qualities.

The system of price control is the summation of the decrees and regulations on the limits of authority for setting, adjusting, and controlling prices as defined by the state. It includes: 1) Defining the limits of authority for setting prices. The limits of authority for setting prices can be divided into two major categories, namely, the setting of unified prices by the state and the setting of prices by the producers. The former principally takes the forms of planned prices and floating prices, while the latter includes various forms of free prices, such as negotiated prices and village fair prices. 2) The limits of authority for adjusting prices. Due to changes in market supply and demand and in production costs, it is also necessary to adjust prices. The state has the authority to adjust planned prices and the fluctuation margin of floating prices. In addition to adjusting the prices that come within the limits of their authority, the producers also have the authority to adjust prices within the range of floating prices fixed by the state. 3) The limits of authority for controlling prices. Price control chiefly refers to the general price level and the various relative price levels. It is achieved through economic levers or administrative means other than prices. The authority is chiefly concentrated in the hands of the state.

Although the system of price control is a component part of the economic structure, it is determined by the basic characteristics of the economic structure. Under the traditional system of the planned economy, mandatory planning plays a leading role. The state adopts a method of direct control to manage the economy and the enterprises have neither decisionmaking power nor relatively independent economic interests. Prices are not an instrument of competition among the enterprises. Accordingly, the unified state prices and the planned prices play a leading role in the system of pricing and the producers basically have no power to set or adjust prices. Under the planned commodity economy, guidance planning plays a leading role and the state chiefly relies on indirect control to regulate economic operations. As independent commodity producers, the enterprises have ample decisionmaking power and relatively independent economic interests. Prices become a powerful instrument of competition among the enterprises. Accordingly, the scope of unified state prices is narrowed and the producers' limits of authority to set prices are broadened. Most commodities and labor services come within the scope of floating prices and free prices. Therefore, selecting the system of price control is crucial to the improvement of the economic structure and the interests of the producers.

Reforming the systems of pricing and price control is the key to the formation and improvement of the socialist market system. Only when we have a rational system of pricing is it possible to ensure the coordinated operation of the market system. But the rationalization of the price system again primarily depends on the reform of the system of price control.

A rational system of pricing should be able to bring into full play the functions of prices as means of accounting, regulation, distribution, and information and to reflect commodity value and changes in market supply and demand. If the price relations and price differences are rational, the general price level will be relatively stable. This is the principal basis for statically judging the rationality of the price system. However, the rationalization of the price system is also a dynamic process moving from irrationality to rationality. Due to changes in production costs and in market supply and demand, commodity prices must change accordingly. The relation between supply and demand constantly draws prices away from value and, with a balance achieved between supply and demand, prices again constantly draw value toward them. Following changes in the relation of supply to demand, prices fluctuate around value. This precisely shows the special feature of prices as simultaneously reflecting value and changes in supply and demand. If prices remain unchanged, the functions of prices will be restricted.

Therefore, in maintaining the long-standing rationality of the price system, it is necessary to provide it with a self-regulatory function. The system of price control is a decisive factor in providing the price system with a self-regulatory function.

Under the system of price control with the overconcentration of the power to set prices and the predominance of unified state prices, the price system cannot fully reflect changes in supply and demand and in value. This is primarily because there is such a great variety of commodity prices that it is impossible for the state to accurately forecast changes in market supply and demand and in production costs and to promptly adjust their prices. Moreover, unified state prices are bound to have the nature of relative inflexibility. This makes the price system excessively rigid, depriving it of its self-regulatory capability.

Reforming the price system is aimed at straightening out the irrational systems of price relations and price differences, while reforming the system of price control is aimed at providing the price system with a self-regulatory function. Both supplement each other. If we fail to change the system of price control while reforming the price system, it will be difficult to maintain the long-standing rationality of the price system.

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WHY IS IT NECESSARY TO CONCENTRATE ON DEVELOPING SMALL AND MEDIUM-SIZED CITIES AND TOWNS?

Beijing RED FLAG in Chinese No 6, 16 Mar 86 pp 45-46

[Article by Hua Kuiyuan [5478 1145 0337]]

[Text] Our country's system of cities and towns consists of cities and small towns. By cities we mean what has been formally designated as cities through the approval by the state, while by small towns we mean those towns that have been formally designated as towns and the county towns that have not been formally designated as towns. Our cities are classified into four categories: a city with a population of more than 1 million people is an especially large city; a city with a population from 500,000 to 1 million people is called a large city; a city with a population from 200,000 to 500,000 people is called a medium-sized city; and a city with a population less than 200,000 people is called a small city. As our country's modernization progresses, and in particular as our rural economy develops toward specialization, commercialization, and modernization, a process must emerge in which our agricultural population is transformed into one that is nonagricultural, and our rural population is transformed into a city and town population. This is a process that all economically developed countries in the world have undergone in their industrialization. Therefore, while carrying out national economic and social development, the percentage of our city and town populations will continue to increase, our cities will develop greatly, and new cities and towns will emerge.

In the process of transforming an agricultural population into a nonagricultural one and a rural population into a city and town one in Western countries and many Third World countries, a series of serious "city illnesses" and a large number of social problems developed: concentration of industry and population in large cities, a quick increase in the number of large cities, and a sharp expansion of the population in large cities. In the development of cities in our country, there are different degrees of problems such as too great and too quick an increase in the number of large cities, and excessive growth in the scale of large cities. The excessive scale of a city will inevitably give rise to problems such as land shortage, housing shortage, shortage of water resources, jammed communications, an inconvenient supply system, and environmental pollution. This will lead to a reduction in environmental and social benefits in our urban areas and hinder our urban economic progress. Moreover, as industry and population are excessively concentrated in our large cities, it will be difficult for us to correspondingly develop our medium-sized and small cities, and this will be detrimental to the rational layout of our productive forces and to the rational exploitation and use of natural resources in various areas. The government of our country has summed up the experience and lessons from the development of cities at home and abroad, formulated a basic policy for controlling the scale of our large cities, reasonably developing our medium-sized cities and vigorously developing our small cities, thus pointing out a clear orientation for the construction and development of cities and urbanization of the rural areas in our country.

By controlling the scale of our large cities, we mainly mean controlling the population and scale of use of land in urban areas of our large cities. This does not mean restricting the economic and social development of our large cities. Our large cities, which have taken shape through long-term development, are the major bases of our country's construction of socialist material and spiritual civilizations. They have very important positions and play very important roles in our national economic and social development. Our large cities should not rely on an increase in their population or use of land in developing their economy and thus follow the path of expanded reproduction by extension. They should instead bring into full play the advantages of large cities in science, technology, economy, and management, thus following the path of expanded reproduction by intension through tapping their potential, renovation, and transformation.

Compared with our large cities, our medium-sized and small cities have relatively fewer problems related to the acquisition of land, water resources, housing, communications, supply, and environment. Moreover, such problems are relatively easy to solve. Generally speaking, our medium-sized cities have a relatively satisfactory technological foundation and are provided with relatively satisfactory conditions for carrying out production cooperation. They also have a certain level of development of their basic urban facilities. All these are conducive to the improvement of comprehensive urban economic results and to urban economic and social development. As our small cities are not of a large scale, they have considerable development potential to tap. As they are scattered in vast areas, they facilitate rationally scattering our industry and population. In addition, our medium-sized and small cities are links and bridges between our large cities and small towns and provide political, economic, and cultural centers in certain areas around them. The development of our medium-sized and small cities is of very great significance in promoting the construction and development of our small towns, reducing the overexpansion of the scale of our large cities, improving the economic networks of different scales and levels and developing a regional economy.

Our country's city and town people account for only 23.5 percent of its total population. As our economy and society develop, by the end of this century, in our country's rural areas, there will be hundreds of millions of surplus laborers who will be released from our agricultural production. Obviously, we cannot rely on existing cities to absorb these laborers. There is already a surplus population in our existing large cities and as we do not allow our existing medium-sized and small cities to grow into large cities, naturally, they will be unable to absorb so many surplus laborers. Moreover, at least at present, the state has no financial or material resources to build some 1,000 new cities to absorb rural surplus laborers or to mobilize them to emigrate. Therefore, the only feasible way is to establish township and town enterprises, develop diversified undertakings, and vigorously develop small towns. If our existing small towns continue to develop and become prosperous and if we gradually build and develop a larger number of attractive small towns in our rural areas, then most of our rural surplus labor will be absorbed and taken by the tens of thousands of small towns that spread all over our country. In addition, small towns are political, economic, and cultural centers for our country's vast rural areas. The construction and development of small towns are of tremendous and far-reaching significance in promoting the development of rural agricultural production, speeding up the specialization, commercialization, and modernization of our rural economy, promoting the construction of spiritual and material civilizations in our rural areas, putting an end to backwardness in our rural areas, and reducing disparities between urban and rural areas. Therefore, in developing our country's cities we must steadfastly implement the principle of focusing on developing medium-sized and small cities and towns.

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WILL THEORIES LEAD TO A 'DECLINE' IN CREATIVE WORK?

Beijing RED FLAG in Chinese No 6, 16 Mar 86 p 47

[Article by Chu Shaobai [5969 1421 4101]]

[Text] Some people say that Lu Xun's essays symbolize the "decline in Lu Xun's artistic creations." This "decline," they say, was caused by his "increasing tendency toward rationalism." In other words, Lu Xun's "artistic temperament (fervor) decreased" and his "philosophical temperament (thought) increased," and this led to a "decline" in his work which is characterized by "being dull and rigid." It is indiscreet of them to make such remarks!

Lu Xun, a great writer, thinker, and revolutionary, erected a monument to the history of modern China's culture and left valuable spiritual wealth for us. Essays are the most important part of Lu Xun's works. Lu Xun's essays embody the fine cultural tradition of the Chinese nation, give expression to the spirit of the new era, and will influence people for several generations. His essays still have a strong artistic appeal and play an important role in educating people. His essays reflect storms in the revolutionary struggle and have blazed a new era in terms of writing style. The profoundness of thought and exquisiteness of art in his essays are without parallel. In the "Preface to 'Collection of Lu Xun's Random Thoughts,'" Qu Qiubai said: "This collection embodies the history of ideological struggle in China since the May 4th Movement. Random thoughts, as a type of writing, will, because of Lu Xun, become a synonym for artistic (Freudian) theory."

Readers of Lu Xun's works understand that, as Lu Xun himself said on many occasions, he believed in the theory of evolution in his early years and that his early works were markedly affected by this theory. Lu Xun's acceptance of the theory of evolution as advanced thought in the ideological field did not lead to a decline in his creative fervor. In his later years, Lu Xun "corrected" his "bias toward the theory of evolution" and began to "seek knowledge from fundamental and practical social sciences." In the practice of the Chinese revolution, he gradually familiarized himself with Marxism and learned how to observe society and life with dialectical materialism. Bursting with youthful vigor, he continued to improve his work. His work (mainly essays) in his remaining years was more profound and convincing, with a higher degree of proficiency that led to an entirely new period. All these are irrefutable facts. How can we ignore them? How can we interpret Lu Xun's familiarization with Marxism as his "increasing tendency toward rationalism" that brought about a "decline" in creative work? Taking the attitude of respecting objective facts, we might as well say that when a writer deviates from the guidance of correct theories (including progressive ideas in history), the influence of erroneous theories and ideas will certainly lead his works to a decline or even to moral corruption, and he will take the evil road. There have been many such examples, in the past and at present.

The above views seem to uphold creative work, but in reality they are harmful to creative work. These wrong views were refuted by Lu Xun long ago. I am of the opinion that although deprecatory remarks about Lu Xun are not numerous and their influence is not difficult to escape, such deprecation involves the major principled issue of whether Marxist theory should be applied to creative work. For this reason we must treat this problem carefully.

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ONE 'CHINESE HEART' AFTER ANOTHER TEMPERED IN THE FLAMES OF WAR--READING 'LOVESICK TREES ON THE MINEFIELD'

Beijing RED FLAG in Chinese No 6, 16 Mar 86 p 48

[Article by Huang Guozhu [7806 0948 2691]]

[Text] Perhaps, young writer Jiang Qitao is the first to accurately focus on a group of new-type military men--"officer students" who graduated in relevant specialities in various colleges and institutes of higher learning outside the army since the 1980's, and have joined the ranks of the Chinese PLA. This new focus vests war, as described by him, with an unusual pattern, atmosphere and color. The protagonists in the novel head for the front as military academy students, participating in war as mere apprentices. But they undoubtedly span two important parts of life at the same time--student and military man; war and peace.

The novel begins with the "officer students" on their march toward an assembly area. After Yin Motao, a biology graduate, frees a homing pigeon out of the car window, college students in the same car suddenly stop their animated talk on strategy and tactics, put down love letters which they have been writing with beautiful Chinese characters purposely inscribed in reverse order, or lay aside sketches of figures exuding the style of the contemporary school. ...They suddenly feel that they themselves have to say goodbye to the several decades of peaceful life to which they have been accustomed! Given his insight into and understanding of, the psychological and aesthetic interests of the young people of the 1980's, and his own familiarity with, and passion for, a military career, the writer exquisitely and accurately pinpoints the states of mind and inner feelings of this group of figures with their given backgrounds in a given war environment--states of mind which are complicated and changing--thus bringing the readers into the "officer students'" world with its images and feelings.

War is a grim and cruel affair. Life and death; love and hate, good and evil, beautiful and ugly, great and small, sincere and false; courage and cowardice...everything is sharpened and intensified, forcing fighters to ponder and judge things with a solemn and sacred attitude previously unknown in their lives. As new generation college students with higher education, they were once Dame Fortune's favorites. As military men heading for the battlefield, they are also the ordinary sons and daughters of the motherland simultaneously assuming the heavy burdens of history, society and life. Yin Motao, who always judges everything with a critical eye and "exudes the air of a great artist," is suffering from the pain of unrequited love and jealousy. Ji Gang, an athletics graduate who is well practiced in boxing thanks to the guidance of a labor-reform convict given at the side of a lake in Qinghai, is also a victim of his girl friend's rebellion against "noble love." Though they cannot immediately detach themselves from the troubles which ordinary people cannot escape, and though they are all still young and set great store by the beauty of youth and the value of love and life, when asked to choose between "responsibility" and "benefits," they unhesitatingly choose "responsibility"! Especially when the motherland is making the appeal, they understand all the more their weight of responsibility. With fervent poetic passion and with hot blood surging through them, they bravely come forward prompted by a sense of duty and with no thought for their own lives. After the death of a deputy company commander and the commander of the first platoon, Yin Motao leads soldiers in a bloody battle occupying high ground, securing a position, and sticking it out until he falls. Ji Gang goes behind the enemy lines several times, discharging his espionage mission with flying colors. Cong Peimin, "a former doctor of traditional Chinese medicine" proficient at interpreting "yin and yang and the five elements linked with traditional Chinese medicine," gives full play to his speciality. In a show of bravery, he loses both legs. "The author," a Chinese language student, time and again asks not to be given privileges because of his "platelet deficiency." He leads the forces in a rush to the forward position. ...In this beautiful and dignified dominating melody of patriotism and revolutionary heroism and in the baptism of blood and fire, they think nothing of their own interests and find harmony and unity between self-value and the lofty spirit of nationalism and support for the dedication of youth and even the sacrifice of their lives. Liu Guozheng, an agricultural graduate who once dreamed of returning to his hometown to help his father set up a mushroom greenhouse to make money, at last, in the flames of war, purges himself of the shame of once losing confidence and attempting to be "left out" and heads for the minefield, prompted by a sense of duty in a switchover from cowardice to firmness, and from fear to courage, he paves the way for the advance of the fighters behind. His body is blown to smithereens by a landmine and dissolves as part of the blue sky of the vast motherland and the endless stretch of red soil....

The writer uses as yet unpopular military parlance as the title of his novel. The wonderful fusion of two images in the story gives expression to the fighters' true love of life and their contempt and scorn for the god of death, and especially the kind of radiant spirit that "shines so as to blind a person" displayed after the fighters go beyond the temporal concept of life and death. This adds profound philosophical meaning to the work, thus giving deeper expression to the true, the good and the beautiful in the fighters' mental world.

A contemporary novelist pays greater attention than at any time to the message he embodies in his novel and is especially mindful of fruitful intellectual results. The introduction of various kinds of relevant technical knowledge in scenes to fit given figures and backgrounds in the novel, without giving the least impression of a rhetorical effort, not only shows the true style and features of college student military men but also highlights their significant role in army building. A large number of truthful and exquisitely executed minute descriptions, vivid and lifelike, especially bring to life the images of the protagonists in the novel. For example, the several appearances of that red-colored "lovesick bean," the lonely homing pigeon let loose "sleek with its raindrops," the presence of "the author" and a petite nurse with her snob nose at a dance party, and so forth--not one of these scenes fails to move a person to tears. With profound love, the writer puts down everything about the "officer students" full of poetic youth. It seems that we are feeling the beat of one fiery "Chinese heart" after another appearing over the vast land of China!

(The "Lovesick Trees on the Minefield" carried in KUNLUN [2492 0178], No 5, 1985)

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A MIRROR REFLECTING AMERICAN SOCIAL OUTLOOK--REVIEWING 'AMERICAN KALEIDOSCOPE'

Beijing RED FLAG in Chinese No 6, 16 Mar 86 inside back cover

[Article by Liu Ying [0491 4481]]

[Text] Comrade Wang Zuomin's new work "American Kaleidoscope" has been published by the China Social Science Publishing House. This book provides an all-round objective description of the conditions in various aspects of American society. It is the first outstanding elongated travel notes about the United States published in the new China. It also represents a gratifying result in academic and cultural exchanges between China and the United States.

This book is like a mirror which reflects the real image of American society. It has substantial content which covers an extensive period of time and has wide scope. It not only presents the lives, wishes, and habits of American people of various races and social strata, but also includes an account of America's development course during the past 200 years and more. At the same time, the book profoundly analyzes the state of affairs and development tendency in the American economy; politics; science and technology; culture and education; movement of workers, young people, and women; lives of the elderly; juvenile delinquency; food; clothing; living conditions; and other aspects of daily life. So, it is like a miniature encyclopedia about the United States.

The author wrote this book after spending a year visiting all parts of the United States. She used her personal experiences during the visit to the United States, her knowledge about American society, and much authoritative material to present an all-round, true picture of American society to the readers.

For example, what is the main reason for the rapid development of American society? In the past, some people mentioned only America's favorable natural conditions and neglected the importance of the American people's spirit of respecting objective laws, daring to make innovations, and working hard. As a result, some people even think that America is a "natural paradise" where "gold has been spread all over the country since the old days." All this is obviously a false impression of America's history and present situation. The book gives people many facts about the hardships undergone by the

American pioneers in the early years, suffering hunger and cold and threatened by pestilence. At the same time, they were cruelly oppressed by the ruling British colonists. It was after 8 years of bloody fighting in the 18th century that the American people defeated the British Colonialist Army and won independence and built the first bourgeois republic on the American continent. After that, they launched an industrial revolution and began to vigorously develop the economy. In a period of less than 100 years, America changed from being a backward agricultural country into an advanced country whose industrial output value ranked fourth in the world. Through the 4-year-long Civil War in the 19th century, the United States abolished the slavery system in the southern states of the country, and this further promoted the development of the economy. The United States is a young country, and the country adopted the new bourgeois democratic system when it was founded. This caused the American people to strongly feel the urgency to develop their economy. In order to catch up with other economically advanced countries, they made great efforts to increase their international competitive power, and paid close attention to the development of new sciences and technologies, education, and organizational and management reform. At the same time, the United States also absorbed large numbers of outstanding professionals, and introduced advanced technologies and management skills from other countries. Systems were formed and developed, on the basis of these things, and this in turn greatly accelerated economic growth paving the way for the United States to become the No 1 economic and technological power in today's world. The per capita income of this country also ranks first in the world now.

As another example: Are all people in the United States able to lead a rich life, or are there still any poor people in that country? The author quoted the study results of Ian Robertson, an authoritative American sociologist, to show the living conditions of the three social strata, namely, the upper, middle, and lower classes in the United States (each stratum being divided into two groups). According to rough statistics, the upper class (including rich families) account for 1 to 3 percent of the population; the middle class (including senior management personnel, professionals, farm owners, and petty proprietors) account for 40 to 50 percent; and the lower class (including blue-collar workers, people in service trades, poor people, and jobless people) account for 60 to 75 percent. Since the 1950's, although workers' living standards have been raised, the jobless population has still been rather large. The number of jobless people in 1982 reached 13 million, which was the highest since 1941, and the unemployment rate last December remained at a high level of 10.8 percent.

In the course of opening up to the outside world and enlivening the domestic economy, we should understand various aspects of things in the outside world more deeply. We should firmly follow the road of building socialism with Chinese characteristics. At the same time, we should also learn from the strong points of other countires, especially advanced countries. In the short period of some 200 years, the United States developed from a new British colony into the number one economic and technological power in the world. This is by no means an accidental event. We can learn a lot from its experiences in the political, economic, scientific, technological, cultural, and educational fields. We should highly value these things and give deep thought to them.

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China Report

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CHINA REPORT
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No. 7, 1 APRIL 1986

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ERRATUM: In JPRS-CRF-86-006 of 27 March 1986, No 3 of this series, in article entitled "How To Approach Contemporary Western Philosophy," on page 47, line 40 should read: Qine's denunciation of the two creeds of empiricism also gives us beneficial enlightenment

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CORRECTLY APPROACH THE NEW CONDITIONS AND NEW PROBLEMS IN THE COURSE OF REFORM

Beijing RED FLAG in Chinese No 7, 1 Apr 86 p 2

["Forum"]

[Text] The reform of the economic structure has brought unprecedented vigor and vitality to our national economy, and has brought about a vigorously developing situation in our modernization construction. At the same time, reforms have also given rise to some new things and new problems that we should treat correctly.

Our ongoing reforms are to establish a new socialist economic structure with Chinese characteristics, which is different from our previous ossified pattern and from the capitalist pattern. This not only requires comprehensive reforms and readjustments in the ownership structure, the economic decisionmaking system, distribution methods, the forms of economic relations, and the economic management system, but also requires coordination of all reform measures and support from a set of sound political and legal mechanisms and ideological work mechanisms. In a word, reform is a complicated, arduous, and large-scale social systems engineering project. When carrying out this project, we have no precedent to go by and cannot indiscriminately copy existing economic patterns in other countries. We need to proceed from the specific conditions of our country and to explore our way ahead through practice. So it is unrealistic to expect that our reforms will advance smoothly without encountering any contradictions or problems and without undergoing any twists or turns.

Practice has shown more and more clearly that the purpose of the economic structural reforms cannot be achieved in just a few moves. The new system can only be formed under the necessary conditions, and the old system can only wither away when the new system has been gradually perfected. People's work style and thinking can only be adapted to the new system step by step in the course of changes. In the process of reforms, the new system coexists with the old system, and their mutual influence will exist for a fairly long time. This situation will unavoidably cause difficulties and problems to the overall economic operations. When facing these things, we must remain sober-minded. If we become hesitant, self-doubting, overanxious, or reckless in action, we will not be able to properly carry out the reforms. We should assume a positive attitude, work in a down-to-earth manner, discover and solve problems quickly, try our best to avoid errors, and advance the reforms step by step by embracing unswerving faith and maintaining an indomitable will.

At the same time, we must not neglect the negative phenomena in the course of reforms and should not lose our bearings as we meet with these things. As compared with the achievements and changes brought about by the reforms, which have attracted world attention, such problems are merely a nonessential aspect rather than the main stream of the present situation, and the negative phenomena are merely transient and can be completely solved through the in-depth development of the reforms. It is groundless to say that the unhealthy tendencies and corrupt practices inside and outside the party have been brought about by the reforms. Various unhealthy tendencies and irregularities existed to different degrees before reforms were started. There are no evitable relations between these bad things and the reforms. Some people have indeed achieved ill-gotten gains and committed economic crimes by taking advantage of the loopholes in the reforms or by using the reforms as pretexts for their wrongdoing. There is a certain relation between these cases and the reforms, but the problems are not the inevitable results of the new superseding the old. As our reforms are carried out step by step, some of the defects of the old system may have been corrected, and others may have not been overcome; some economic activities may have moved onto the new path, while some economic activities may have not been disassociated from the old system. In the course of the reforms, the vested interests may be affected, and it is not possible to forge new and reasonable interest relations. Macroeconomic control will become more difficult, and microeconomic mechanisms may not become completely rational in a short time. Some gaps and loopholes in the management system may also provide opportunities and conditions for some people to pursue fraudulent and lawbreaking practices. This cannot be a reason for stopping and giving up the reforms. We must carry on the reforms and must solve the problems through the reforms. Meanwhile, it is also necessary to strictly enforce our laws and discipline, severely crack down on economic crimes, check the unhealthy tendencies, and create a benign social environment for further reforms.

The process of reforms is one of the new system superseding the old system, and is also one of changing people's ideas and thinking step by step. Only by consciously breaking with all unrealistic and outmoded ideas and concepts and planting new ideas and concepts in line with the development of the socialist commodity economy, can we correctly understand the reforms and correctly treat the new things and new problems appearing in the course of reforms; and only thus can we take the lead in advancing the reforms.

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DO A GOOD JOB IN RURAL IDEOLOGICAL AND POLITICAL WORK IN THE FORM OF 'THREE VISITS'

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 3-6

[Article by the Propaganda Department of Baoding Prefectural CPC Committee]

[Text] Strengthening ideological and political work during the new period is an important call raised in accordance with the spirit of the National Conference of CPC Delegates. It is also a subject which is now being explored and practiced by ideological and political work departments of our party at various levels. Since 1984, in the process of leading the masses to develop the rural economy, cadres at all levels in Baoding Prefecture have carried out in a creative way the activities of "visiting the poor to help them get rich; visiting the rich to seek advice from them; visiting the worthy to make use of their ability" (hereafter "three visits" for short). Over the past year, more than 20,000 cadres at all levels throughout the prefecture have taken part in "three visits" activities. They have visited 85,000 poor households and 150,000 rich households. They have also solicited more than 13,000 proposals for getting rich, visited more than 31,000 able and professional personnel, and selected and utilized more than 50,000 persons from rural economic organizations and basic-level leading bodies. Such activities have promoted the development of the building of the two civilizations, and enjoyed general support from the broad masses of people in the rural area. Through practice in the past year or so, we realize that the activity of the "three visits" is not only a good method for leading the masses to overcome poverty, become rich and develop the economy, but also an effective form for strengthening and improving ideological and political work in the rural area.

I

With the deepening of the rural reform and the changes in economic relationships, the broad masses of peasants are seeking the way to get rich, acquire knowledge and technology, and enjoy happiness. Their enthusiasm for socialism is unprecedentedly high. When economic relationships are changing and income gaps are widening, there occurs a new psychological conflict between the poor and the rich, between those who are very rich and those who are comfortably well-off, and between those who get rich first and those who get rich later. The changes in labor organizations have enabled peasant households to become production units. All this has demanded that in the process of carrying out ideological education, we improve our methods and shift our work focus to the lower level. Under such circumstances, while implementing the practice of encouraging cadres to lead the masses to develop rural economy, we carried out the activities of "three visits" in a creative way, with emphasis on "visiting the poor to help them get rich; visiting the rich to seek valuable advice from them; visiting the worthy to make use of their ability." Such activities conform to objective demand, and have invigorated ideological and political work in the rural area under the new situation.

1. The activities of the "three visits" have closely linked ideological and political work with the demand of the masses. During the new period, the key to the success in our ideological and political work lies in whether we can link ideological and political work with satisfying people's legitimate demands. During a certain period of time in the past, we generally felt that our ideological and political work was lax and weak. In the rural area, peasants treated technicians as the "gods of wealth," and warmly welcomed actors and actresses to act in operas in the rural areas. However, it was difficult for us cadres in charge of propaganda work to even hold a meeting. What was the reason for all this? It was because they could directly satisfy the material and cultural demands of the broad masses of people, whereas our ideological and political work was disconnected with their demand. After carrying out the activities of the "three visits," our ideological and political workers know what the masses have demanded, and have succeeded in unifying the content and aims of their work with the desires and demands of the masses. In the meantime, in the process of carrying out the activities of the "three visits," we have also satisfied the demand of the ideological and political workers by unifying the demand of both educators and those who receive education. In such a way, the "psychological demand" of our ideological and political workers and those who are educated coincides. This strikes a "chord" of feeling in their hearts.

2. The activities of the "three visits" have closely linked ideological and political work with the vital interests of the masses. During the years of war and shortly after the founding of the People's Republic, our party's ideological and political work was carried out well. Why did we carry out ideological and political work well during the war years? It was because at that time the aim of our ideological and political work was to save the masses from the abyss of misery, "overthrow the landlords and share out the land," and "overthrow Chiang Kai-shek to liberate the country." Our ideological and political work reflects and embodies the basic interests of the masses, and serves the general tasks and objectives of the party. In the past, our ideological and political work had "close connections with the life and death" of the masses. Now, our work has "close connections with their interests." The "soul" of our ideological and political work lies in these two "connections." The activities of the "three visits" have taken the work of helping the masses' march toward common prosperity as a starting point and underlying objective. The activities pay attention to the immediate interests of the masses, and also represent their long-term interests. They reflect the interests of peasants who get rich first, and

represent the general interests of peasants as a whole. They include individual material interests, and give consideration to the overall interests of the state so that the basic aim of serving the people wholeheartedly is specified. Therefore, the activities of the "three visits" have made ideological and political work more appealing and attractive.

3. The activities of the "three visits" have merged ideological and political work and economic work into an organic whole. The problem of "separating ideological and political work from economic work" was a big defect in ideological and political work in a certain period of time. The "leftist" influence of "putting politics first" was the main reason attributing to the fact that ideological and political work was separated from economic work, and that the "soul" left the "body." In recent years, with the progress of the work of bringing order out of chaos, we have gradually strengthened the concept of "infiltration and integration." However, what specific methods did we employ to promote the "integration"? What measures did we take to overcome the defect of "separating ideological and political work from economic work"? The problem of "bridge" and "boat" remained unsolved for a long time. The activities of the "three visits" have provided us with "bridge" and "boat." In the course of carrying out the "three visits," we pursue the principle of infiltrating ideological and political work into economic work. During the visits, we collect both ideological and economic information, and consider both ideological and practical problems. The work of giving publicity to policy and rendering practical service is carried out simultaneously. When visiting the well-to-do, we ask them not only about their methods and experiences in getting rich, but also about the course of getting rich and the orientation of their business operations. While visiting the able, we never forget to provide them with education in observing discipline and law. When visiting the poor, we not only help them acquire the ways to get rich and science and technology, but also pay attention to providing them with ideological help. We help the poor households free their minds of apprehensions and spiritual yokes so that they strengthen their confidence in getting rich through hard work. The activities of the "three visits" have enabled us to overcome, to a certain extent, the age-old defect of "falsehood, bragging and empty talk," and "separating politics from economics" in ideological work.

II

The activities of the "three visits" are a new form of ideological and political work. The basic spirit guiding such activities is that we should go deep among the masses to carry out face-to-face ideological and political work and popularize it among tens of thousands of households. Visiting tens of thousands of households means that we should institute investigations and studies, follow the mass line, and adhere to the principle of seeking truth from facts and the epistemological line of always proceeding from reality, and the working method of getting the opinions of the masses and referring them back to the masses. All these are old methods employed by the communists. During the years of revolutionary war, an effective ideological and educational method which we often employed was "going to see the poor to ask about their past bitterness," and organizing the masses to "contrast past misery with present happiness." It is necessary to promote direct contacts between ideological and political workers and the targets of their work, and ideological exchanges between educators and those who receive education, in order to obtain first-hand material for ideological work, and to work out a correct policy for ideological education. This also conforms with Marxist epistemology. The "three visits" activities inherit and carry forward the fine tradition of the party's ideological and political work.

However, compared with the previous "going to see the poor and asking about their bitterness," the present "three visits" activities are more vivid in form and greater in scope with the contents being renewed and aims changed. Such activities have brought about four "changes" in our rural ideological and political work.

In the past, we did ideological and political work mainly for the poor households. We have now changed the practice into doing ideological and political work for the rich households, poor households, and for those who have knowledge and professional skills. In the past when we were carrying out the class struggle, we relied on poor and lower-middle peasants, and our ideological and political work was also aimed at enhancing the class consciousness of poor peasants. During the new socialist period, our basic task is to develop social productive forces. We have changed the previous practice of eliminating classes into that of overcoming poverty. The "three visits" activities conform with the change in this basic task. We visit not only the poor, but also the rich and the able. We do ideological work not only for poor households in order to help them get rid of poverty and become rich as early as possible, but also for the rich and able in order to guide them to foster lofty ideals and so that they will be ready to help the poor embark on the path of common prosperity.

Instead of paying too much attention to the negative side of things, we have changed the previous practice into that of laying emphasis on promoting people's unity, showing concern for them, and coordinating their relations. For a fairly long period of time in the past, the stress of our ideological and political work was placed on the negative and seamy side of things, and the "negative feedback" [fu fan kui 6298 0646 7432] of criticizing incorrect ideology and overcoming erroneous viewpoints. Very often, this affected the results of our work. During "three visits" activities education is provided in the course of a "visit" with emphasis being placed on "help." We link the work of solving ideological problems with that of helping people solve their practical problem. Instead of laying stress on criticism, our work focus is shifted to promoting good deeds. We have paid attention to discovering and carrying forward those positive, progressive and good things among the masses so that we can lead them on the march forward. With regard to the backward ideology, shortcomings and mistakes of some peasants, we stick to the principle of providing guidance. We treat them openheartedly, warn them of the consequences, and make analyses for them in a gentle and practical way so that the masses are willing to accept more advanced ideology.

The "three visits" activities have enabled our cadres to change their position and attain dual status. The reason why the results of our ideological and political work were poor was that our cadres departed from the correct principle that "educators should, first of all, be educated." Cadres wanted people to listen to what they said, and ordered them to do this or that. As a result, "cadres criticized people on the platform, but were abused once they left the platform." In the course of carrying out the "three visits" activities, cadres descend from the "platform" and visit peasant households. They are cadres, but, at the same time, they are also comrades and friends of the masses. They are teachers, but, at the same time, they are also pupils. They have thus acquired dual status. The "visit" by cadres of itself means that they respect those whom they visit. The masses no longer regard cadres as those who can merely "read a lecture." Those who are visited are, very often, moved by the cadres' act of "asking after their health and production with deep concern." Some ideological problems can easily be solved without a lot of talking. During the activities of promoting the "three visits," our cadres compare themselves with the masses, open their hearts to them, look into the affairs of the people with an open mind, absorb political nutrition from typical advanced cases, and listen attentively to the voice of the masses. All this has not only established a closer link between cadres and masses and restored their relations to being as inseparable as fish and water, characterized by "cadres calling members of the households uncles and aunts all the time, sweeping their yards and carrying water for them," but also enhanced cadres' consciousness of resisting unhealthy trends.

We have changed our previous method placing emphasis mainly on reasoning things out and providing education about paying equal attention to sincerity, reasoning, and conduct. Only by implementing the principle of moving people with sincerity, bringing them round by way of reasoning, and setting examples with our own conduct can we achieve better results in ideological and political work. This is particularly so in rural ideological and political work during the new period. Due to the fact that our cadres in charge of propaganda work used to adopt methods of providing education by arguing things out, holding meetings to imbue the peasants with socialist ideas, delivering lengthy reports and so on, peasants did not like to listen to what they said. In the course of carrying out "three visits" activities we have changed this method. The purpose behind our cadres "visiting" peasants' households is to exchange views with the masses, and help them solve practical problems. In so doing, it is easier for our cadres to convince, convert and guide the people by making use of party policy and typical examples. In such a way, those who educate and those who are educated will both be imbued with revolutionary feelings and comradely love, and able to exchange their affection. By paying equal attention to sincerity, reasoning and conduct, and combining them in an organic way, we will achieve greater results in ideological education.

III

We strengthen and improve rural ideological and political work in the form of "three visits." This is a new attempt in the methods of ideological work.

The main work we have done over the past year may be summarized as: Leaders are personally involved in ideological and political work; ideological and political work has penetrated into each and every household; a down-to-earth manner is followed; grasping simultaneously both material and spiritual civilizations.

1. Leaders are personally involved in ideological and political work. This is one of the characteristics of the "three visits" activities. In the past, although we also advocated that leaders should attach importance to ideological and political work, it was only a call which had never been fulfilled. Some leading cadres failed to do the work personally, and thought wrongly that ideological and political work should only be done by propaganda departments. Since 1984, 65 percent of party and government cadres in our prefecture have taken part in "three visits" activities and some 500 cadres above county level have carried out the "three visits." They have gone personally to the masses' households to do ideological work. Due to the fact that leading cadres do ideological activities, and that they have gradually accumulated experience in ideological and political work during the new period having mastered several typical examples of doing ideological work, the weakness in ideological work and the defects of "falling into generalities" have been overcome. A vivid situation of "party secretaries at three levels carrying out three visits" has occurred in many counties. The party secretary of Gaoyang County has regarded Changguo Zhuang, a poor village, as a selected spot for helping the poor. He goes to the village once a week, and has visited most of the poor households. Knowing what the masses were thinking and what they have demanded, he decided that the main emphasis of his work be placed on ideological support. The previous method of "providing relief" has been changed into that of "training and bringing up." A "three-step" plan aimed at supporting the poor has been worked out: 1) Excavating wells and building water conservancy projects; 2) giving play to the strong points of weaving cloth; 3) providing the 36 poorest households with material assistance. The "three visits" activities and the "three helps" have enabled the masses in this village to emancipate their minds, and begin freeing themselves from poverty and becoming rich.

2. Ideological and political work has penetrated into each and every household. The "three visits" activities have enabled us to penetrate with ideological and political work into tens of thousands of households. Since we have found out the general and specific ideological character of the peasants, we are able to further adopt a scientific style for their ideological education. With regard to the matter of getting rich, different viewpoints have been reflected by different kinds of people in the rural areas. These viewpoints have their own general and specific character.

Generally speaking, rich households have reflected their "five fears" in varying degrees. Some of them fear that the policy will change. If the policy changes, they will be regarded as the heartless rich. Some fear that they will become too conspicuous. If all people know that they are rich, they have to pay more tax. Some fear that they will become too famous. If all people know that they are rich, some persons might call at their houses to ask them to contribute money, or borrow money from them.

Some fear that once they get rich, trouble and disaster will follow. Some fear that persons might come to learn the skills from them, because this means that their "rice bowl" and "purse" might be snatched away. Some people complain that there are too many restrictions, and that the policy is not open enough. Some people only pay attention to the ways of becoming rich, and "take money as the end-all." Some forget all moral principles at the sight of profits, strive for gain wherever and whenever possible, and "play hide-and-seek" with the law. Some like to "poke their noses in others' business after they have enough to eat and wear," and wicked ideas come into their heads. Some members of the rich households participate in gambling.

The "five hopes" has existed generally among the poor households, whose inhabitants are not simple-minded. The "five hopes" are: Hoping for concern to be shown by leaders; hoping for technical guidance; hoping for financial aid; hoping for the help from potential backers; and hoping for special care in daily life. Some members of poor households think that "since no one will be starved to death under socialism," they sit back waiting for relief. Some think that "it is glorious to be poor, and dangerous to be rich." They are satisfied with the existing state of affairs, and are willing to remain poor. Some feel utterly disheartened after suffering setbacks. They believe in the idea of "God's will," saying that they "get what they deserve because it is all decided by a cruel fate." Some attribute their poverty entirely to objective reasons. They are afraid of difficulties, and cry over their suffering. Some feel that they are unable to do what they much want to do. Some are anxious to get help.

In the course of carrying out the "three visits" activities leaders at all levels discover the general and specific ideological character of peasants at different layers. They provide education and "ideological help" at different layers in accordance with the different characteristics of the peasants. With regard to persons who have special skills and members of rich households, we mainly provide them with education in upholding the four basic principles, give them more political guidance, and correct their business orientation. We also provide them with legal knowledge and spiritual nourishment, so that they "will not forget the party, the state and socialism as well as other poor households after they get rich." As far as poor households are concerned, we provide them mainly with "ideological support," help them strengthen their confidence in becoming rich, and change the previous method of "blood transfusion" in order that they can later "produce blood" for themselves. Since 1985, the number of poor households which have been visited by cadres at all levels accounts for 46.6 percent of the total number of poor households in the whole prefecture. Some 47,000 households can expect to eradicate poverty and embark on the path of prosperity (with per capita income of more than 120 yuan).

3. We follow a down-to-earth manner. The "three visits" activities have helped us overcome the defect of "empty talk" in ideological and political work, and truly implement the spirit of telling the truth, doing solid work, and attaching importance to practical results. The direct purpose in carrying out the "three visits" is to seek stratagem and ability, and help people

become rich. Our ideological and political work is mainly based on leading the masses to embark on the path of common prosperity. During "three visits" activities cadres at all levels link the work of providing ideological education with that of helping the masses solve practical problems. We have provided the poor households not only with material and technical support, but also with ideological help. We also serve them in terms of policy. With regard to rich households, we ask them about the way to become rich and the process of getting rich, and help them correct their business orientation. We have provided them with law, and tell them about ethics and policy. Due to the fact that the masses have encountered a lot of trouble in the process of developing commodity production, many counties have reformed their management, strengthened and improved various kinds of services for the masses, and worked out rules and regulations on supporting them to become rich. Those who are visited feel that cadres who visit them are truly serving their interests. They are happy to receive such sincere and indispensable ideological education. All this has changed their previous view that cadres in charge of political work could only "pay lip service," and improved the image of the departments responsible for ideological and political work. It enhanced the authority of ideological and political work. Ideologically, we show concern for those whom we visit, enlightening and guiding them. Apart from that, we help them solve practical difficulties. The "three visits" activities which combine ideological education with practical service, have turned ideological and political work into tangible and practical work which has brought real benefit to the masses.

4. We grasp both material and spiritual civilization simultaneously. In "three visits" activities party and government leaders at all levels properly combine the building of the two civilizations. While handling the relations between ideological and political work with economic work, they change the previous practice of "separating politics from economics" into that of "integrating them well." The prefectural CPC committee and CPC committees at all levels have demanded that the broad masses of cadres pursue unswervingly the guiding principle of grasping the building of the two civilizations simultaneously. During "three visits" activities when we are visiting the poor or the rich, we ask them about their incomes and try to find out what they are thinking about. We ask them about the results of their efforts devoted to becoming rich, and the ways and means of getting rich. We pay attention to their business orientation and what they do after becoming rich. We provide them with methods, technology and service, and help them overcome ideological obstacles. We also give publicity to policy in order to help them clear their minds of doubt. In the course of collecting and transmitting economic information, we also pay attention to collecting and transmitting ideological information. Thus, during the "three visits" activities ideological work and economic work are merged into an organic whole. The "soul" of ideological and political work is thus attached to the "body" of economic work, and "external" things have been turned into "internal" ones.

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FRESH TROOPS FOR RURAL CULTURAL UNDERTAKINGS--AN INVESTIGATION OF CULTURAL HOUSEHOLDS IN LINQU COUNTY, SHANDONG PROVINCE

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["Investigation Report" by the Propaganda Departments of Weifang City and Linqu County CPC Committees]

[Text] Linqu County is located in the Yimeng mountain area. Along with the implementation of party rural policies and the rapid growth of the commodity economy, there has emerged a large contingent of individual cultural establishments represented by cultural households. So far there are 880 cultural households throughout the county. Of these, 178 are professional cultural households, making up 20 percent of the total, 256 part-time cultural households, accounting for 29 percent, and 446 households of voluntary service, constituting 51 percent of the total. These cultural households raise funds themselves to engage in various cultural activities such as fine arts; calligraphy; picture mounting; performance of traditional and local operas; designing of potted landscapes; flower-planting; carving; seal cutting; paper-cutting; photography; arts and crafts; film projection; and book-reading. They liven up cultural and recreational activities in remote villages and mountain areas. Their hard work has enriched cultural life of the peasants and promoted the building of the two civilizations. They have become a supplementary force for rural cultural undertakings run by the state and the collective. The rise of cultural households is a great beginning for mass cultural work in the new historical period.

The Emergence of Cultural Households

The emergence of cultural households in Linqu County is due to a rise in the peasants' living standards. After the 3d Plenary Session of the 11th CPC Central Committee, the gross industrial and agricultural output value of the county increased at an average annual rate of 8.7 percent. In only a few years, the peasants of the county have attained sufficiency in food and clothing and many peasant households have even become well-off. When the peasants extricate themselves from the predicament of rushing about for food and clothing and start to become well-off, they certainly want to enrich their cultural life. Especially the numerous middle-aged and young peasants who have been educated somewhat, eagerly hope to compensate for deficiencies in nourishment of the mind while making efforts to extricate themselves from poverty. However, in the vast rural areas, and in particular in the remote mountain areas, where inhabitants are scattered, transport conditions are poor, and cultural facilities are in short supply it is impossible for cultural departments and literature and art organizations to serve them regularly. Before 1980, many townships and towns did not have a single small bookshop, the peasants could not see a film or a play all year round and they had to tramp over hill and dale just to buy a book. The infertile minds of people have resulted in the growth of such bad habits as drinking and gambling, and ignorance and backwardness have given rise to the resurrection of feudal superstition in some places. More and more people now realize that while working for material civilization, we must strive to build socialist spiritual civilization. Linqu County is usually called a "home of local opera" and keeps up the tradition of cultural activities. The county has a number of "gifted scholars" and "able persons" who have engaged in amateur literary and artistic creation. After the 3d Plenary Session of the 11th CPC Central Committee, flexible party policies gave full play to their intelligence and wisdom, and the introduction of the responsibility system in the economic field showed them that since individual peasant households can create still more material wealth at a faster pace, they can also create spiritual wealth. As a result, these "able persons" engaging in amateur cultural activities have become professionals in rural cultural undertakings. For example, Che Huisheng was originally a production team leader in Longquanguan village, Xinzhai town. He found that people's living standards had risen steadily and many of them liked the art of potted landscape very much. To meet the need, he started producing potted landscapes in 1982. So far he has made 4,400 potted landscapes and has become a specialized household in this aspect. Cultural households regard satisfaction of the people's needs in cultural life as their duty, take rejuvenation of rural cultural undertakings and the building of socialist spiritual civilization as the fundamental aim, and use their own incomes to further enrich the cultural life of people so as to win a welcome from the people and the support of the government.

The Status and Role of Cultural Households

The rise and development of cultural households has given a great impetus to the development of socialist cultural undertakings in rural areas. Experience has demonstrated that in developing the socialist economy, we must adhere to the principle of arousing the enthusiasm of the state, the collective and the individual. In developing socialist cultural undertakings, we should follow the same way. Especially in the countryside, cultural establishments run by individual households is a necessary supplementary means for cultural undertakings run by the state and the collective.

1. When the state and the collective are short of funds for developing cultural undertakings, the substantial investment made by cultural households plays a great role in enlivening cultural activities in rural areas. Rural culture covers a wide range of work, differing in kind and needing great investment. When we have so many things crying out to be done in our modernization program, it is impossible for the state to allocate a large amount of money to develop cultural undertakings. In the past, the county

could afford only about 30,000 yuan for rural cultural undertakings. However, since the rise of cultural households, an investment of at least 600,000 yuan has been made in only 2 years to develop the county's cultural establishments, 20 times as much as that of the government. Facts show that in developing cultural undertakings, the peasants have a vast reservoir of potential.

2. The appearance of cultural households has opened up a new way to further develop cultural work among the peasants. State and collective cultural units do not have sufficient personnel but have a lot of work to do, and it is therefore difficult for them to take good care of all villages. The rise of cultural households has remedied the deficiency. Cultural households have their source in the peasants, so they can carry out operations in various forms to meet the needs of different sectors of the people. Shijiahe township, located in the Yi mountain area, is very hard to get to. The presence of art troupes is seldom seen and the peasants' cultural life is very poor. Storyteller Sun Changyu often goes from village to village. Beating his tambourine, he not only performs traditional operas but also sings of new people and new things and publicizes party principles and policies. Therefore, he is cordially welcomed by the peasants. The rise of cultural households has made a breakthrough in the monopoly of cultural undertakings run by the state and the collective and stimulated reforms of state and collective cultural units. In Wujing town, a peasant called Wang Yonglu is proficient in traditional Chinese realistic painting. Many people call on him for counsel and take him as their teacher. Wang enrolls his students through examination and collects training fees. Over the past few years, he has conducted 6 training courses for more than 200 people. Some of his students have been admitted to art academies and schools. Adopting his practice, the county's cultural center also enrolls students through examination and charges them for training courses in traditional and local opera, fine arts and music. This not only cuts down state expenses but also trains more qualified literary and art workers. The extensive deep-going activities of cultural households have impelled state and collective cultural units to improve the attitude and quality of service. Finally, a situation of trying to overtake each other in friendly emulation has emerged in the countryside.

3. The appearance of cultural households is a good form for strengthening the building of socialist spiritual civilization. Our countryside is undergoing a profound historical change, which is vigorously pounding at many outmoded ideas in the peasants' minds. Their simple thinking becomes increasingly complex and their demand for cultural life grows. In studying how to strengthen political and ideological education among the peasants in a vivid and lively manner, and how to improve the building of spiritual civilization, we must take this new situation into consideration. The rise in cultural households helps people to take part in different types of cultural and recreational activities and teaches them: To know the true, the good and the beautiful, and also the false, the bad and the ugly; to know what is socialist spiritual civilization and what is the decadent and moribund ideology of feudalism and capitalism. As a result, people can now distinguish between right and wrong and their political consciousness has

been heightened. We are happy to see that wherever cultural households have developed rapidly and their activities are bustling, good results must have been achieved in the building of spiritual civilization and the improvement in social conduct at large. From a survey of 40 cultural households, we found that 29 households, representing more than 70 percent of the total, had been elected "five-good families." At Lujialou village, Yangshan County, which is known as a "home of painters," men and women, old and young are all good at painting. A survey shows that there are more than 340 people who love painting in the village. In recent years, 380 paintings have been put on display at county and city sponsored art exhibitions, and 36 of them have been selected for provincial painting exhibitions. In 1983, the province selected 10 paintings for a national exhibition of paintings by the peasants, two of whom were from this village. On New Year's Day or other festivals, many families like to display their paintings in sitting rooms. People are dazzled by the endless array of these beautiful paintings, which are fresh in style and emit strong local flavor, vividly reflecting great changes in the countryside in the new historical period. Meanwhile, consulting with each other on the art of painting, respecting the old and loving the young, and neighbors living in harmony has become common practice.

While disseminating spiritual civilization, many cultural households set an example and take the lead in building spiritual civilization. In Mengjia village of Yangshan township, there is a young lady, Li Xuehua by name. Her husband works at a PLA unit and her parents-in-law are old, so her housework load is very heavy. However, she found that some people around her did not know how to become well-off and some young people hoped to learn but had no reading material. After overcoming immense difficulties, she finally opened a small bookshop in a mountain area in cooperation with another young lady. They sent some books on vegetable growing to an old vegetable grower. Thanks to these books, the old vegetable grower's output of cucumber and tomato increased by 250 percent. Furthermore, in the village, a group of youngsters idled about all day long and did no decent work. Seeing this, Li voluntarily sent them some relevant readable books. Thanks to these books, these youngsters became crazy about reading and two of them were even admitted to secondary vocational schools.

The development of cultural households has expanded the contingent of cultural workers in the rural areas of the county and promoted literary and art creation. In recent years, Linqu County has built 72 cultural centers and open-air cultural palaces in villages and towns with collected funds, but these facilities still could not meet the needs of the masses. The rise of cultural households has greatly strengthened the position on the cultural front with an additional total of more than 1,000 cultural centers. Now, every village of the county has its film projection network, television-watching rooms, theaters, painting and calligraphy associations, storytelling places, reading rooms, flower and potted landscape shops, home painting exhibitions and mobile photo-taking stands. On such a substantial foundation of cultural activities among the masses, a large number of literary and art workers have emerged in Linqu County in recent years. Cultural households alone have trained more than 1,100 different literary and art workers, 17 of whom have been enrolled and employed by art academies and schools. Since 1984, cultural households specializing in fine arts and calligraphy have created at least 4,700 pieces of art work. Five of these pieces were selected for art exhibitions held abroad and six were displayed as exhibits in Beijing. The famous work "Lantern Festival" has won a second prize and has been stored up together with another painting "I Learn Silkworm Breeding Too" by the Chinese Gallery.

Cultural households are also an important force in carrying forward national art traditions and opening up new spheres of art. With the efforts of cultural households, folk art in Linqu County has been increased from 8 to 14 kinds. Two cultural households of Yeyuan town have given new life to wood-ironing paintings, a lost art for more than 200 years. With modern tools, these paintings have been improved with more classic elegance and beauty and are widely used as high-grade decorations in halls and buildings. Now, they have a ready market in a number of cities in the country and are highly praised by both Chinese and foreign experts.

Support and Guidance of Leaders

Cultural households as the new troops for rural cultural undertakings have grown up with strong support from the county CPC committee and government and under their energetic guidance. The rapid growth of cultural households in Linqu County has resulted from the following:

1. Much attention has been paid to the development of cultural households and effective measures are adopted to support them. Two measures taken by the Linqu County CPC Committee and government are worth noting: First, they take cultural households as an important supplementary means of state and collective cultural establishments. They believe that the principle of encouraging the initiative of the state, the collective and the individual is the only way to quickly build a socialist cultural network in the countryside and to meet the increasing needs of the masses. Like specialized households in the economic sector, cultural households are also a component part of the drive for socialist modernization. Second, they make due appraisal of the role of cultural households in building socialist spiritual civilization in the rural areas, and that their appearance is a good form for building spiritual civilization in the countryside. For this reason, when cultural households sprouted in 1982, the county CPC committee and government immediately and without hesitation encouraged the peasants to go ahead. Since 1984, the county CPC committee holds a yearly forum or representative meeting with cultural households, to exchange experience and solve problems arising in the course of development. Meanwhile, the committee has sent its working personnel down to grass-roots units to conduct investigation and study and help cultural households overcome difficulties and solve problems. Industrial and commercial departments of the county permit cultural households to set up stalls and tax bureaus give them preferential treatment within the limits of policies. In the past 2 years, county agricultural banks provided loans of 354,000 yuan to cultural households. The CPC committee of Qixian township invited peasant painters Li Dayuan and Lu Zhigang to move their painting and calligraphy centers to the newly built cultural palace so as to make things convenient for them in their work. In addition,

propaganda and cultural departments of the county summed up the experiences of 28 advanced cultural households and spread this throughout the county.

2. Efforts have been made to strengthen leadership over cultural households and guide them to develop smoothly in line with the socialist orientation. While warmly supporting the development of cultural households, Linqu County helped them properly handle the relationship in the following two aspects. One is the relationship between economic results and social benefit. At present, almost half of cultural households serve the peasants free of charge. They are small in scale, but they are clear that they work for the masses to liven up cultural and recreational activities. Such spirit should be energetically encouraged. Households engaged in cultural establishments as businesses should attach primary importance to good social effect and the spread of socialist spiritual civilization, and take the improvement of economic results as a question of secondary importance. We must stop the tendency of just earning money regardless of social effect. The other is the relationship between cultural households and state and collective cultural units. Their basic aim is identical and the general orientation is the same. For this reason, state and collective cultural units should render strong support and professional guidance to cultural households so as to help them develop at a faster pace, and compete with them in the quality of service. By properly handling the relationship in these two aspects, the Linqu County CPC Committee and government have paid special attention to three things. First, all township and town CPC committees are requested to assign one or two responsible comrades to take charge of political and ideological work among cultural households, and organize them to study party principles and policies. In this way, cultural households conscientiously follow the leadership of the party and the government; strengthen their sense of professional morality and the legal system; take propaganda of party principles and policies, livening up of the people's cultural activities and the spreading of scientific and cultural knowledge as their duties; and stick to the orientation of making literature and art serve the people and socialism. Second, cultural households are encouraged to gain professional proficiency and enhance literary and artistic levels. The county cultural department runs training courses of different kinds such as drama, fine arts, calligraphy and film projection (so far the training courses have been run 41 times). At the same time, it also helps cultural households display flowers, potted landscape, book and calligraphy exhibitions and invites artists from other areas to give lectures. Third, cultural households in Linqu County have set up their own association with their own regulations and management methods. The association plays a supervisory role and has the right to expose its members' illegal activities and entrust the relevant departments to deal with unlawful practices. As a result of painstaking work by the association and the adoption of effective measures, cultural households in Linqu County have always developed in a sound way.

3. In line with actual conditions, cultural households have been encouraged to blaze new trails and create new forms with a view to expanding their forces and influences. In recent years, cultural households in Linqu County have increased substantially and many people now itch to have a go. It is expected that the contingent of cultural households will be expanded in the

near future. Under such a situation, the county CPC committee and government should remain sober-minded to educate and guide cultural households to proceed from actual conditions and in an orderly way and step by step. It is necessary to advise small cultural households with slender foundations to act according to their capability, or to carry out their activities during the slack season in farming, or to do it as a part-time job, and not to develop in haste. Meanwhile, it is necessary to encourage cultural households with well-laid foundations to engage in diversified activities, develop joint management and expand the range of operations to other counties and provinces so as to build themselves into cultural and economic entities such as the Yimeng Flower and Potted Landscape Company, the Yeyuan Fine Arts Society, and the Linqu Book and Calligraphy Society, which have demonstrated a new trend in the development of cultural households.

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PROMPTLY IMPLEMENT THE POLICY, GRASP GRAIN PRODUCTION WELL

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 11-13

[Article by Jing Ping [2529 1627]]

[Text] This year is the first year of the Seventh 5-Year Plan, and the economic situation this year will have a great bearing on the whole period of the current 5-year plan. Agriculture is the foundation of the national economy. So the situation in agriculture in the first year will directly influence the national economy as a whole. The present situation in our agricultural production is good in general. The policies for agricultural work laid down by the party have been further carried out; this year's Document No 1 has been relayed to all grass-roots units; peasants' enthusiasm for developing agricultural production is growing in general; the rural economic structure is being readjusted; the rural commodity economy is being further developed; and the party rectification at the grass-roots level has been started. Our work in all fields shows a tendency of vigorous development.

The question that we should particularly notice is that efforts must never be relaxed in grain production. Ours is a country with a large population of 1 billion people. In our country, the matter of prime importance is to feed the people. Meanwhile, the development of animal husbandry, the food processing industry, catering industry, and tourist industry all need a sufficient supply of grain. Last year, many areas in our country suffered natural disasters, and the economic structural reform led to a reduction in grain crops sowing area by a total of tens of millions of mu. This caused a fall in grain output by tens of billions of jin. As our grain output had increased by big margins in previous years, we now still have sufficient grain reserve in the state granary and can ensure the supply of grain in the whole country. However, our grain output this year cannot continue to decrease. We must effectively ensure the steady growth in grain production. The conditions in our country determine that we cannot export large quantities of grain, nor can we import large quantities of grain. We must rely on our own strength and efforts to ensure the supply of grain for the whole population.

In order to promote the development of grain production, the party central leadership and the State Council have adopted a series of regulatory measures at all macroeconomic levels. It has been decided to appropriately reduce the target of contract purchases and increase the quantity of grain purchases on the markets; methods of transferring grain have been improved; retail prices of fertilizer have been lowered; grain purchase contracts can now be linked with the supply of some farming materials in great demand; and various forms of subsidies for grain production have been adopted at all levels. People's correct understanding and comprehensive implementation of these measures will certainly promote the development of grain production and will effectively correct the tendency of peasants becoming unwilling to grow grain crops in some localities.

The fundamental purpose of these measures adopted by the party central leadership and the State Council is to regulate the interest relations of all links in the process of producing and transferring grain and to protect the enthusiasm of the peasants, especially those in the areas that supply food grain for markets, for producing grain.

It is not because the state has too much grain and now needs less grain that the target of grain purchases on a contract basis has been lowered appropriately. Instead, the reason for adopting this measure is that by increasing the quantity of grain purchases on the markets at negotiated prices, peasants who produce grain may increase their incomes and can thus get a great incentive to increase grain production. The measures of lowering fertilizer retail prices, linking grain purchase contracts with the supply of farming materials in short supply on the markets, and using part of the enterprise taxes in towns as aid to agriculture all serve the purpose of giving a greater incentive to peasants who engaged in grain production so as to increase grain output. The key to the issue of grain is the issue of prices, but prices have a vital bearing on the overall economic situation and cannot be changed frequently. When the state adopted the above-mentioned measures, it was using the economic actions of the government to influence grain production, and is in fact using some roundabout methods to give economic compensation to the peasants who grow grain crops and to increase their incomes. Only when grain producers gain more economic benefit can we achieve the purpose of ensuring grain production and stabilizing prices.

Improving the methods of transferring grain will better coordinate the interests of the areas which supply grain and which need grain so as to balance the payments of these types of areas. As compared with other commodities, grain is a commodity which brings modest profits. If some localities rely on other localities' supplying grain at a fixed price or rely on the grain subsidies offered by the state, peasants' enthusiasm for growing and selling grain in the grain-producing localities will be affected; and grain production in the localities which need to achieve grain from other areas will also wither. A new form of imbalance in the economy may appear. The localities which are not self-sufficient in grain may even completely rely on the supply of grain from other localities and on state subsidies. Once the external supply decreases, they will be caught flat-footed. According to the new methods, the localities which are supplied with grain by other localities have to pay the additional part of grain above the base quotas at a higher price. This is a reasonable measure. When revenues are divided between the central and local authorities, the additional quantity of grain should not be subsidized by the central finances but should be paid by the localities which bring in the grain (this does not include areas afflicted by natural disasters). Grain supplying localities should gain greater benefit as they make greater contributions to the state and to other localities. This measure will not only encourage the grain supplying areas to bring their advantages into better play and to increase grain production, but will also prompt the areas which need to bring in grain from other areas to develop a comprehensive rural economy by increasing their own grain production so as to reduce the volume of grain transfers. In the final analysis, this measure will be favorable to the realization of the general principle of making all major regions in the country self-sufficient in grain production so as to reduce the state's expenditure in transferring grain.

Using income from industrial undertakings to support agriculture is a major measure for coordinating the interests inside the rural collective economy. This will not only be favorable to the readjustment of the rural economic structure by shifting labor force in the rural areas to some nonfarming industries so as to develop commodity production, but will also play a positive role in ensuring and promoting grain production and in resolving the contradiction between grain production and other sideline occupations so as to ensure the balanced development of various industries in the countryside.

In general, all the new measures are in line with the development of the socialist planned commodity economy. They reflect the advantages of our socialist system and the self-regulating capabilities of the collective economy. They also embody the correct principles for coordinating the interests of the state, the locality, the collective, and the individual and coordinating the interests of the producers and the consumers.

Agricultural production and rural work have marked seasonable characteristics. It is now a busy season in farming work, and it is also a crucial moment for our rural work. We must faithfully carry out central Document No 1 among the peasants, properly sign grain purchase contracts with every peasant household, ensure the supply of farming materials, effectively organize the management of winter crops and the sowing of autumn-harvested crops, properly arrange production in the countryside, and must further strengthen their leadership over rural work in all fields. At present, we must especially emphasize the actual results of our work, and must stop cosmetic practices of all kinds. All our measures and policies must be put into practice among grass-roots units and among the masses. Otherwise, they will be of no use, no matter how good they may be. Cadres should be required to go to guide work in grass-roots units and to come into contact directly with ordinary peasants. They should go to the forefront of agricultural work to explain the policies to the peasants, to pass information and technologies to them, to deliver materials to them, and to do good things for them. They should also discover and solve problems among the masses. If the vast number of cadres in all departments and at all levels can do this, our agricultural production will certainly be successful and we will certainly achieve a good situation in this year's grain production.

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ON INDUSTRY SUBSIDIZING AGRICULTURE

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 12-16

[Article by Wu Rong [0702 6954] and Li Peng [2621 7720]]

[Text] The practice of industry subsidizing agriculture, which means appropriating part of the profits turned over by town and township enterprises for construction of various facilities in rural areas and for distribution among commune members, is an important means of expediting the coordinated development of various trades in rural areas and an important long-term policy that we must uphold.

Industry Subsidizing Agriculture Is a Long Practice

The system wherein industry subsidizes agriculture has been practiced for many years in Jiangsu Province, particularly in the southern Jiangsu areas with developed town and township enterprises. The development of this system has seen several stages. In the late 1960's, the distribution system of "joint account of the plant which offers job opportunities and the production team which takes care of income distribution" was in fact the initial form of industry subsidizing agriculture. In the early 1970's, the slogan of industry subsidizing agriculture was officially put forth and subsidization was further extended to agricultural production. However, since town and township enterprises which had just been established had limited resources at their disposal at the time, they could only supply certain products and materials and provide agricultural machine and tool repair service to support agriculture. By the mid to late 1970's, the scope of subsidization for agriculture was further expanded. Profits derived from industry was used to buy agricultural machines, build water conservation facilities, finance agricultural capital construction, and run other construction projects in rural areas. There has now been a new development, since 1980, in the way industry subsidizes agriculture. Taking their own economic resources into consideration, those rural collective economic organizations where conditions permit have appropriated part of the profits turned over by town and township enterprises and distributed them among commune members. Once the output-related system of contracted responsibility was extensively implemented, in order to guarantee the fulfillment of set procurement quotas of grain and cotton, subsidization of grain and cotton production has been practiced. Some localities have also subsidized the sale of live pigs, poultry, and eggs so as to increase the income of those who are engaged in agricultural and sideline production. From 1983 on, some advanced units with developed town and township enterprises have adopted many methods to help agriculture fulfill the goal of specialized production, socialized service, and modern technology and equipment.

Why did the system of industry subsidizing agriculture emerge and develop along with town and township enterprises?

This was first of all a result of the characteristics of town and township enterprises which are a component part of the rural economy. All employees of town and township enterprises are both workers and peasants. They remain peasants in terms of their household registration and the channel through which they obtain oil and grain ration; only their jobs are different from those of other peasants. It is precisely because of the emergence of town and township enterprises that the old unitary economic mode in rural areas was changed and the old pattern according to which cities took care of industry while rural areas were engaged in agriculture was broken. Since town and township enterprises are a part of the rural economy, it is natural to practice the system of industry subsidizing agriculture as a means of facilitating the comprehensive development of the rural economy.

Moreover, the system of industry subsidizing agriculture is determined by the nature of town and township enterprises in regard to their ownership. It seems that existing large township- or village-run enterprises have accumulated capital on their own. But in the final analysis, the peasants of the townships or villages own these enterprises. When these township- or village-run enterprises were established, they obtained their capital from two sources: first, funds pooled among members of production teams, and second, various fees that production teams paid to commune and production brigades. Workers of these enterprises were recruited from among members of production teams. Most enterprises have undergone a difficult initial period, their achievements today being the result of an "egg-laying" process of gradual capital accumulation. Therefore, all town and township enterprises belong to local township and village cooperative economic organizations. Those run by townships belong to townships and those run by villages belong to villages. They do not belong to township or village governments, the staff of enterprises, or any industrial setups, but rather to all the peasants of the townships or the villages. In the past, peasants practiced strict economy in running these town and township enterprises. They took the initiative in restraining consumption for a while and thus helped the enterprises grow. Thus, the practice of allowing peasants to receive some compensation from those enterprises which have developed successfully is by no means egalitarianism or an indiscriminate transfer of resources between different accounting units. It is an internal regulatory function exercised in due course by local cooperative economic organizations.

The system of industry subsidizing agriculture is also determined by the development needs of town and township enterprises. It was the system of industry subsidizing agriculture which enabled town and township enterprises to strike roots in the fertile soil of the rural economy, to survive numerous hardships, and to grow up. First of all, town and township enterprises have encountered many obstacles in their development process. As we have put forth the slogan "developing industry to meet the needs of and give an impetus to agriculture" and adopted the system of industry subsidizing agriculture, the peasants have felt there is a need for developing industry and have made every effort to protect industry. This is why town and township enterprises can survive. Second, the system of industry subsidizing agriculture has brought about a more rapid development of agriculture, has in its turn allowed more workers to enter town and township enterprises, supplied town and township enterprises with more agricultural and sideline products as raw materials, and thus given an impetus to the continuous development of town and township enterprises. Third, town and township enterprises will have a larger market only when agriculture has developed and the peasants have become rich. On the surface, the system of industry subsidizing agriculture is beneficial only to agriculture. But, upon further analysis, one can easily see that the practice of industry subsidizing agriculture will prepare better conditions for the steady development of town and township enterprises.

The System of Industry Subsidizing Agriculture Is of Far-Reaching Significance

During the 6 years between 1979 and 1984, net profits derived from town- and township-run enterprises in Jiangsu Province totaled 82.5 billion yuan or more, of which 33.26 percent, or 27.45 billion yuan, was used to finance farmland capital construction, purchase farm machinery and tools, support poor production teams, add to the income of commune members, run collective welfare, and initiate construction projects in small towns. The above figure does not include the expenses that town- and township-run enterprises paid as funds to support agricultural production, public welfare funds, accumulation funds, administration charges, and other expenses aimed at lightening the peasants' burden. This huge amount of money spent in support of rural construction and to raise the income of those commune members who are engaged in agriculture has had the following effects:

First, this practice has helped balance the economic interests of those who are engaged in three different production sectors, namely, agriculture, sideline production, and industry. It has also pushed ahead the harmonious development of these three production sectors and, in particular, has played an important role in stabilizing agriculture as well as the population engaged in agriculture, including grain production. Since the price of grain can hardly be adjusted to a reasonable level for the moment, the great disparity between the income of farmers and that of those engaged in industry and commerce will still remain. Now that it is impossible to raise the price of grain to a level that will make the income of farmers comparable to that of those who are engaged in industry and commerce, only the system of industry subsidizing agriculture can narrow the income gap between farmers and those who are engaged in industry and maintain the initiative of farmers, especially those who grow grain. Suzhou city, with its large population and limited farmland, is an example. Its average yield of more than 1,200 jin per mu must be maintained to guarantee that the demand can be met regarding the grain ration for urban and rural residents, seeds, feeds, and other uses. The historical record of agricultural production costs of Suzhou shows that the area's average annual grain yield has been maintained at around 1,000 jin per mu, and the investment-yield ratio has been pretty high. The grain production cost is about 6 yuan or more per 100 jin on the whole. However, the investment increases sharply when the per mu yield exceeds 1,000 jin, whereas the percentage increase in the profit decreased. Since 1982, the production cost of every 100 jin of grain has increased to nearly or even over 10 yuan. With the agricultural tax and other expenses such as depreciation of fixed assets that have not yet been counted added to the production cost, grain farming is virtually unprofitable. Thus it can be seen that Suzhou city will hardly be able to carry on even simple reproduction if it depends only on agriculture. During the 3 years between 1981 and 1983, a total of 280 million yuan drawn from the profits of township- and village-run industrial enterprises was directly appropriated to support agriculture. In other words, each farmer gained 149 yuan, or nearly 50 yuan per year on the average, from these township- and village-run enterprises. With the compensation that the enterprises paid to the production teams for transfer of laborers and the enterprises' contribution to the accumulation funds added to the above benefit, each farmer gained an additional income of more than 70 yuan a year, equivalent to 20 percent of his annual income. It is the system of industry subsidizing agriculture that has narrowed the gap in income between farmers and those who are engaged in industry and alleviated the disparity between prices and the real value of agricultural products, thus expediting the harmonious development of agriculture, sideline production, and industry to a varying degree.

Some people are afraid that the system of industry subsidizing agriculture will violate the principle of distribution according to work. Such worry is unnecessary. People working with various kinds of cooperative economic organizations in townships and villages were originally laborers engaged in agriculture. Division of labor and different trades have emerged as a result of economic development. The system of distribution according to work at the same level and reward calculated based on the same criterion must be practiced among organizations under the same ownership system. For rural cooperative economic organizations which practice a higher degree of division of labor and are more economically developed, the best form of calculating reward based on the same criterion is to calculate reward by working time and labor intensity. That is to say, the wages for employees of various trades are calculated only by working time and labor intensity, regardless of the profit rates of different trades. The total working time of laborers of various trades during a whole year is roughly the same. Moreover, farming, which requires laborers to work outdoors, generally involves a higher degree of labor intensity and risk than other jobs. For these reasons, it is absolutely necessary to draw part of the profits from industry--which makes more profits--to subsidize agriculture, which has low or no profit. In so doing, equal labor will bring equal pay and an overall balance in terms of pay between different trades will be maintained. The system of industry subsidizing agriculture basically conforms to the Marxist principle of distribution according to work.

Second, this practice has hastened the readjustment of the production structure in rural areas and helped shape a much more harmonious balance between primary, secondary, and tertiary industries. Let us consider the case of Wuxian County, which has attractive scenery and rich natural resources. During the "Sixth 5-Year Plan" period, township- and village-run enterprises in the county spent more than 20 million yuan on farmland capital construction, paid commune members a total of 678 million yuan as wages, or 135 million yuan a year on the average. Since profits arising from industry were used to support agricultural and sideline production, the county managed to reduce the growing area of double-crop rice in a planned way, expand sown areas of nonglutinous rice, and restore the planting of name-brand, special, and high-grade industrial crops. The county also reduced farmland step by step and used the surplus plots to raise fish, develop animal husbandry, and plant fruit trees. The county has meanwhile vigorously developed a diversified economy and thus better used its rich resources. Last year, despite a decrease in production due to a reduction of the growing area and natural disasters, the county's grain output still exceeded 1 billion jin. Apart from retaining part of the yield for rural residents, the county basically fulfilled its grain procurement quota and ensured a normal supply of high-quality rice for residents in cities and towns. Its output of fruits and aquatic products grew by 130 percent over 1980; the income resulting from sale of nursery stock increased by 200 percent over 1983; the output of cultured pearls doubled that recorded in 1984; and the breeding of pigs, sheep, poultry, and rabbits, as well as other businesses relating to the diversified economy, developed rapidly. In 1983, the industrial output values of enterprises at the county, township, and village levels formed a "reverse pagoda" pattern: The order of output value was: first, enterprises at the county level, then those at the township level, and finally those at the village level. In 1984, the three portions matched each other. Then, in 1985, the pattern became a "well-shaped" pagoda: Of the county's 2.15 billion-yuan industrial output value, the county-run enterprises contributed 600 million yuan or more; the township-run enterprises 700 million yuan or more; and the village-run enterprises 800 million yuan or more. The industrial output value of township-run enterprises and of village-run enterprises added together totaled 1.55 billion yuan, an increase of 270 percent over 1980. Their proportion to the whole county's industrial output value rose from 59.4 percent in 1980 to 72 percent in 1985. In the same period, their proportion to the whole county's gross industrial and agricultural output value rose from 41 percent to 59 percent. On the other hand, the tertiary industry boomed abruptly; great progress was made in commerce, communications, tourism, and service trade. The proportion of laborers engaged in the tertiary industry to the whole county's labor force rose from 6.8 percent in 1980 to 10.6 percent in 1985. The rise of the tertiary industry has played a great part in spreading information and technology, stepping up the process of introducing investments from abroad, establishing lateral ties at home, and speeding up the development of production.

The practice of Wuxian County has shown that upholding the system of industry subsidizing agriculture can help to rationalize the rural production structure and to gradually build up in rural areas a comprehensive production structure which, with agriculture as its basis, enables various production sectors to develop harmoniously. The system will ensure the rational use of resources, funds, labor force, technology, and other elements of production, as well as the unity of economic results, social benefit, and ecological effects.

Third, this practice will help to accelerate the development of modern agriculture. Since 1983, some townships and villages with more developed local enterprises in southern Jiangsu have used most of the profits drawn from township- and village-run enterprises to support agriculture. They have increased material investment in agriculture, stepped up the technological transformation of agriculture, improved conditions for agricultural production, established and consolidated the agricultural service system, and speeded up the process of professionalization, socialization of service, and modernization of equipment for agricultural production. Some villages, such as Rongnan village of Yuqi township and Dongqun village of Dongjiang township in Wuxi County, Yuanhe village of Qinnan township in Changshu city, and so on, have done a good job in this respect. They have made efforts to expand the scale of land exploration, strengthened the functions of cooperative economic organizations in townships and villages, gradually replaced heavy manual labor with mechanical operations, and thus improved economic results and increased social benefit. In order to build a developed agriculture which fits a developed industry, Suzhou city has established a system for raising agricultural development funds. Wuxi County, which has already invested 210 million yuan (224 yuan or more per mu) in agriculture, plans to appropriate an additional 300 million yuan or more (387 yuan per mu) to buy agricultural machinery, build water conservation facilities, and run farmland capital construction. The county's goal is to replace manual operations with mechanical operations and advanced technology by, for example, introducing technical innovations in such traditional cultivation procedures as rice transplanting, ditching, and harvesting, which require farmers to bend over; by building a convenient network of roads and bridges so that agricultural machinery can move everywhere; and by developing a complete system of underground ditches to facilitate irrigation, drainage, lowering of water levels, and so on. The county plans to fulfill its goal in two steps: First, fully mechanized cultivation of the three wheats, namely, barley, wheat, and naked barley, to be realized in 5 years; and second, fully mechanized cultivation of rice to be realized in the next few years. To raise funds for modern agricultural development, the county will set aside every year 10-15 percent of the after-tax profit of township-run enterprises and 15-20 percent of the after-tax profit of village-run enterprises. Thus, the socialization, commercialization, and modernization of agriculture in such economically developed areas as southern Jiangsu will no longer be the inaccessible "moon in the Ninth Heaven," but a goal which can be basically fulfilled in only 5 to 10 years, or a little longer.

Explore New Experience and Forge Ahead

To further promote the system of industry subsidizing agriculture, we must pay particular attention to solving the following problems:

First, it is necessary to correctly view and handle the relationship between the state's aid and the practice of industry subsidizing agriculture. Given our country's limited financial resources, we cannot completely depend on state subsidies for agricultural development. This year's Central Document No 1 clearly stipulated: "Apart from state investments in agriculture, the main source of rural construction finds is accumulation in rural areas." If we retain some muddled views on this issue and depend solely on the state, our investment in agriculture is likely to fail. Suzhou city and other places have set up a system to raise agricultural development funds, according to which township- and village-run enterprises are required to contribute each year part of their profits to the agricultural development fund. All nongrain growing farmers and economic combinations having signed contracts with local cooperative economic organizations or being engaged in industry, commerce, transportation, civil engineering, service trades, or other business outside their home townships or villages are required to contribute more than half of their turned-over profits to the agricultural development fund. All accumulation funds and land expropriation payments at the disposal of production teams should also be contributed to the agricultural development fund. At the same time, a labor accumulation system has been set up, under which all commune members between 18 and 60 years of age who are engaged in production and business are required to render 5 to 10 days of voluntary service every year. So the spirit of taking self-reliance as the key link is embodied in practice. This experience is now being popularized throughout the province so that the practice of industry subsidizing agriculture will be turned into a system.

Of course, in emphasizing the system of industry subsidizing agriculture as practiced by town and township enterprises, we do not mean that the state can stop increasing investments or that departments concerned no longer have to strive to create favorable conditions for agricultural development. On the contrary, as the state's investment in agriculture is limited, our departments concerned should make still more efforts to facilitate the implementation of the system of industry subsidizing agriculture in the collective economy and, in particular, to ensure that all preferential policies toward town and township enterprises are upheld.

Second, it is necessary to choose correct methods in implementing the system of industry subsidizing agriculture. In the past, profits contributed by township- and village-run enterprises, in the main, used to be distributed among the peasants. The subsidizing rate ranged from more than 30 yuan or a little more than 100 yuan to 200 yuan per mu. This is a good method of maintaining a balanced ratio of reward between agriculture, sideline production, and industry, or stabilizing agriculture, and of pacifying the peasants, under circumstances where the grain price has not yet been rationalized and grain farming promises too low a profit. However, this method will not give a great impetus to the development of agricultural productive forces. Some townships and villages in the economically developed areas of southern Jiangsu have now given up this method. Instead, they mainly use the profits drawn from township- and village-run enterprises to promote mechanization of agriculture, expedite farmland capital construction, establish and improve the agricultural service system, build up the infrastructure in rural areas, and create favorable conditions for expanding the scale of land exploration. Thus, the old practice of "transfusing blood" to agriculture has been changed into that of strengthening agriculture's "blood making" function, which will substantially strengthen agriculture, improve its quality, and help to fulfill the goal of agricultural modernization. Of course, it will still be necessary to appropriately subsidize those who are engaged in farming, especially in grain farming, hog breeding, and vegetable growing, if there remains a tremendous gap in income between them and others. Above all, such subsidies should be gradually reduced as the scale of land exploration is expanded and the economic results of agriculture are improved.

Third, it is necessary to combine the system of industry subsidizing agriculture with an appropriate expansion of the scale of land exploration. This year's Central Document No 1 said: "It is necessary to encourage the trend of farmland being amassed in the hands of the best farmers and to develop households specialized in farming on a suitable scale." Adoption of the system of industry subsidizing agriculture must be favorable to development in this direction. Judging from the practice of some advanced units in southern Jiangsu, we can see that, in order to maintain a "suitable scale," we must not only adhere to the principle of voluntary participation by the masses, but also take both the peasant households' management capacity and local economic development standards into account, so as to ensure that the scale of land exploration will be in keeping with: the management capacity of the contractor farmers; the economic force of local town and township enterprises and the local agricultural productive forces; the locally available surplus agricultural labor force; the local standard of agricultural mechanization and management; the progress made in improving the conditions of local agricultural production (including the condition of water conservancy facilities, farmland capital construction, roads for mechanized farming, and bridges, as well as such farmland conditions as whether it is well leveled, whether it is segmented, and whether crops can be planted on connected plots of land, and so on); the progress made in establishing and improving the agricultural service system; and the income level of those who are engaged in other trades (the income of farmers can be slightly higher than that of those engaged in industry, but the gap cannot be too wide lest it be unfavorable to the harmonious development of agriculture, sideline production, and industry). In other words, the "suitable scale" is restricted by various conditions. If we persist in expanding the scale of land exploration regardless of objective restrictions, we will fail in our attempt and score negative results. We will also delay the process of modernizing agriculture if we fail to appropriately expand the scale of land exploration when conditions allow us to do so. At the moment, the discussion on how the practice of industry subsidizing agriculture will expedite agricultural development on a suitable scale has just been initiated. Thorough exploration of the question will be accomplished through the practice of the masses throughout the country.

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THE MODERN SIGNIFICANCE OF 'DAS KAPITAL'

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 17-20, 21

[Article by Xu Dixin [6079 3321 2450]]

[Text] At the National Conference of Party Delegates last year, Comrade Deng Xiaoping called on new and old cadres to study Marxist theory. Marx' economic theory occupied an important place in the whole of Marxist theory. "Das Kapital" represented a scientific mansion of Marx' economics theory. In assessing this great work, Engels said: "As long as there have been capitalists and workers on earth, no book has appeared which is of as much importance for the workers as the one before us." ("Complete Works of Marx and Engels," Vol 16, p 263)

As soon as Marx' "Das Kapital" was published, the bourgeoisie tried to strangle it by keeping "silence"; when it failed to do so, the vulgar bourgeois economic schools again launched various attacks against this work. However, contrary to the expectations of the bourgeoisie, the heavier the attack on this flint of truth, the brighter its light. It has lit up the path to liberation for the working class throughout the world.

More than 100 years have passed since "Das Kapital" was published. Over the past 100-odd years, tremendous changes have taken place in the history of human society. The exploiting system which has ruled mankind for several thousand years has been eliminated in lands with nearly one-third of the world population, and a brand-new socialist society has been established. Although the socialist system has experienced numerous difficulties and setbacks, it has always been advancing and has increasingly demonstrated its tremendous superiority. Practice has proved that the truth illustrated in this work is irrefutable.

"Das Kapital" is a theoretical weapon for analyzing the modern capitalist modes of production and guiding our socialist construction today. It has strong vitality. As an economic theory worker, I would like to talk about my views on certain issues.

How Did "Das Kapital" Analyze the Social Productive Forces?

Marxist political economics takes as its object of study various relations of production in human society and the laws governing their motion. However, it does not regard the relations of production as an isolated object. On the contrary, Marx dialectically studied the relations of production in combination with the development of the productive forces. In the final analysis, the relations of production are decided by the nature and the development level of the productive forces. The developmental level of the productive forces, however, again depends on the developmental level of production tools and science and technology, as well as the developmental level of people's production experience and labor skills. The productive forces and the relations of production jointly form the mode of production of a certain social system. In the mode of production, the relations of production can promote the development of the productive forces when they are compatible with the development of the productive forces. By and large, however, the productive forces play a principal and decisive role in the mode of production. Marx said: "The social relations by which people carry out production, namely, the relations of social production, change with the changes and development in the means of material production and the productive forces." ("Complete Works of Marx and Engels," Vol 1, p 363)

Marxist political economics does not in the least overlook the important role of the productive forces in socioeconomic development. When expounding the production of relative surplus value in "Das Kapital," Marx analyzed the simple coordination and labor division in the process of capitalist production, the workshop handcraft industry, and the large-scale industry of machine production, and made a scientific exposition of the development of the productive forces from the angle of economics. This proves that Marx' analysis of the capitalist mode of production was not merely an analysis of the relations of production without analyzing the development of the social productive forces.

Marx pointed out that the productive forces play a principal and decisive role in the relations of production. He also pointed out the revolutionary character of the development of the social productive forces. When expounding capitalist machines and large-scale industry, he pointed out: "Modern industry never looks upon and treats the existing form of a process as final. The technical basis of that industry is therefore revolutionary, while all earlier modes of production were essentially conservative." ("Complete Works of Marx and Engels," Vol 23, p 533) Marx attached great importance to both the revolutionary character of the technical basis of modern industry and the development of the social productive forces brought about by the constant development of this technical basis. In his speech at Marx' graveside, Engels said: "Science for Marx was a historically dynamic, revolutionary force. However great the joy with which he welcomed a new discovery in some theoretical science whose practical application was as yet quite impossible to envisage, he experienced another kind of joy when the discovery involved immediate revolutionary changes in industry. For example, he followed closely the development of the discoveries made in the field of electricity and those of Marcel Deprez." ("Complete Works of Marx and Engels," Vol 19, p 375) From which point can we notice that Marxist political economics overlooked the development of the social productive forces?

Naturally, political economics is a branch of social sciences and not one of the natural sciences or processing technology [gong yi ke xue 1562 5669 4430 1331]. Therefore, the development of the social productive forces brought about by science and technology can only be expounded within the framework of a certain economic relation with which political economics has links. Once it goes beyond this framework, it is no longer political economics. However, universal links exist among different sciences. A branch of science can only be studied relatively independent of this link. The object of political economics is the relations of production and the laws governing their motion. It cannot depart from the development of the productive forces.

Can the Theory of Balanced Prices [jun heng jia ge lun 0971 5899 0116 2706 6158] Overthrow the Labor Theory of Value?

The labor theory of value is a basic question of political economics. The British classical school represented by Adam Smith and David Ricardo laid the foundation for the labor theory of value. However, there are some defects in their labor theory of value. While pointing out that consumed labor forms the "real price," Adam Smith also set forth the so-called "purchased labor theory" (namely, the value of a commodity is determined by the labor which can be purchased or controlled with this commodity) and "income-composition theory" (namely, the price of a commodity is composed of three kinds of income: wages, profit, and land rent) which were in complete contradiction with the labor theory of value. David Ricardo insisted that the price of a commodity can only be determined by the consumption of labor and that the price is directly proportional to labor amount and inversely proportional to labor productivity. However, even unable to abstract value from exchange value, he still explored value under the form of exchange value. For this reason, he did not understand man's general abstract labor. He failed to understand that only by transforming the labor for producing different commodities (with different use value) is it possible to make a quantitative comparison. Because he failed to understand the dual character of labor, he confronted the same difficulties as Adam Smith did in the face of the practical capitalist economic life, thus landing classical economics in a hopeless position.

Marx critically carried forward the labor theory of value of the bourgeois classical economics and independently expounded and proved the scientific theory of value. He expounded the dual character of labor contained in commodities. He pointed out that the exchange value and value of a commodity are two closely related but mutually different things, the value of a commodity being the essence while the exchange value being the phenomenon of the commodity. He also pointed out that the value of a commodity is not determined by the amount of labor spent by individual workers in their production but rather by the necessary social labor consumed in the production of this commodity.

The theory of value is the cornerstone of Marxist political economics. A basic tenet is naturally an abstract theory. Being the embodiment of human labor in a commodity, value cannot be directly expressed but can only be relatively expressed in its relations with other commodities. Since currency came into being, value has been expressed by price. In other words, price is the currency expression of commodity value. The commodity value is the essence while the price is the phenomenon. Those who one-sidedly stress that "the price in a commodity economy is reality" only see the phenomenon and not the essence. Marxist political economics did not look down upon commodity value, and it analyzed commodity price from commodity value, namely, analyzing the phenomenon from the essence. In "Das Kapital," Marx analyzed commodity price on more than one occasion, particularly production price. Marx' theory of value is of theoretical significance to an analysis of commodity prices under the capitalist system. It is also an indispensable basic principle in analyzing prices under the socialist system.

Many people have the greatest esteem for Alfred Marshall. The nucleus and basis of his theory of value is the theory of balanced prices. The so-called balanced price refers to the price when an equilibrium is achieved between the demand for and the supply of a commodity and when its demand price is identical with its supply price. This theory has in fact thrown together the vulgar theory of supply and demand, the marginal utility theory, and the cost of production theory. It cannot explain the essence of commodity prices and the law governing their changes. For this reason, in studying socialist commodity prices and reforming the pricing system, we can only regard the Marxist labor theory of value as our basic principle although we do not oppose, and strive to use as reference, certain specific experiences gained by capitalist countries in solving price problems.

Can "Das Kapital" Analyze Modern Capitalism?

Modern capitalism refers to monopoly capitalism. Since capitalism entered the monopoly stage, the contradiction between the relations of production and the social productive forces has not disappeared but has become more acute. The general law of capitalistic accumulation as pointed out by Marx has not weakened in the monopoly capital stage but has become more penetrating.

The accumulation of capital is the constant capitalization of the surplus value extorted by capitalists. Marx said: "All methods for the production of surplus value are at the same time methods of accumulation, and every extension of accumulation becomes again a means for the development of those methods. It follows, therefore, that, in proportion, as capital accumulates, the lot of the laborers, be his payment high or low, must grow worse." ("Complete Works of Marx and Engels," Vol 23, p 708) The facts are perfectly clear. Without the surplus value provided by the wage laborers and without the accumulation of poverty by the laboring masses, it would be impossible for the bourgeoisie to accumulate enormous wealth. We should not deny the growing poverty of the wage workers in capitalist countries and the general law of capitalistic accumulation merely because the wage income of the wage workers has increased in terms of absolute quantity in the process of capitalistic accumulation. Some people say that the real wages of the workers in capitalist countries have not only markedly improved but have broken the bounds of labor value. This argument does not conform to reality. We do not deny the fact that the wages of the wage workers in capitalist countries have improved to some extent. But this improvement can neither deny the exploitation of the surplus value of workers by capitalists nor weaken the role of the general law of capitalistic accumulation. Marx said long ago: "As little as better clothing, food, and treatment, and a large peculium, do away with the exploitation of the slave, but they do little to displace the exploitation of the wage worker. A rise in the price of labor means, in fact, that the length and weight of the gold chain the wage worker has forged for himself allows a relaxation in its tension around his neck." ("Complete Works of Marx and Engels," Vol 23, p 678)

The growing poverty of the workers in capitalist countries is not only a theoretical issue, but also a fact. Take the United States for example. According to a 1983 survey of its national conditions, the poverty rate was 15.2 percent. This means that there were 35.3 million poor people in the United States. Another 20.8 million people were not listed as poor because they were on government relief. Doesn't the above-mentioned fact prove that accumulation of wealth exists side by side with the accumulation of poverty? It does not conform to the objective need to obliterate the great gap between the poverty of a considerable number of wage workers and the superprofit reaped by a small number of rich people just because the wage income of a number of wage workers has increased in a certain period in terms of absolute quantity.

Some people fail to understand the cyclical economic crises of the capitalist world from the contradiction between the social character of production and the capitalist private ownership, but stubbornly stress the effect of compromise among various capital groups on the economic crises. I do not agree with this view. The anarchy in capitalist production and the contradiction among different capital groups are factors, but not the decisive or principal factors, of an economic crisis. The explosion of cyclical economic crises can never be solved by compromise among different capital groups. Citing the absence of the major economic crisis of the 1930's, some people regard capitalist production as advancing calmly and tranquilly. This does not conform to facts either. First, since World War II, economic crises have occurred frequently in the United States, Japan, the FRG, Britain, and France. Up to 1983, there were nine economic crises in the United States, eight in Japan, and seven in the FRG. The interval between two economic crises was 10 years prior to the 1870's; it was shortened to 7 years after capitalism entered the monopoly stage; and it was only 3 years after World War II and the crises lasted longer. Second, before World War II there was frequently a prosperous period prior to the arrival of another economic crisis. We can say that this situation disappeared after World War II. The crises during the 1970's occurred on the basis of weak economic recoveries. A new crisis occurred before the arrival of prosperity, with the result that the cycle of economic crises was thrown into chaos. This chaos means an increase in the severity of the economic crises. Third, inflation has been more serious since World War II, developing into "stagflation" never heard of before. "Stagflation" has made the contributions between the capitalist means of production and the productive forces more complicated and profound, making it difficult to reduce commodity prices in the stage of economic recovery and extending the period of economic depression. The objective reality is so clear and so serious that there is no reason to say that Marx' theory on the cyclical occurrence of economic crises in capitalist society, as pointed out in "Das Kapital," has lost its role.

Facts have proved that the basic principle of Marxist political economics on the modern capitalist mode of production is continuously playing its role and that it has not lost its vitality because of the changes in certain aspects of modern capitalism.

We Should Not Adopt a Dogmatist Approach Toward Marx' "Das Kapital"

In "Das Kapital" Marx not only scientifically analyzed the inevitability of the emergence, development, and extinction of the capitalist mode of production and pointed out the inevitability of the capitalist mode of production being replaced by the socialist mode of production, but also made scientific forecasts on numerous fundamental issues concerning the socialist mode of production.

Lenin said: "The whole theory of Marx is the application of the theory of development--in its most consistent, complete, considered, and pithy form--to modern capitalism. Naturally Marx was faced with the problem of applying this theory both to the forthcoming collapse of capitalism and to the future development of communism." ("Complete Works of Lenin," Vol 25, p 444) In "Das Kapital," Marx repeatedly pointed out: After the abolition of the capitalist mode of production, some economic categories and laws will still be applicable to the socialist mode of production as soon as they break away from the capitalist relations of production. They include surplus labor, the role and application scope of machines, the relationship between the two major kinds of social production, the role and requirement of value determination [jia zhi jue ding 0116 0237 0414 1353] under the socialist mode of production, and so on. Marx also specifically expounded the different development stages of communist society, the system of public ownership of the means of production, the planning character and proportionate development of social production, and the questions of distribution according to work and distribution according to need. All these prove that Marx' "Das Kapital" is also an indispensable theoretical weapon for socialism.

Naturally, this does not in the least mean that we can find in "Das Kapital" "ready answers" to the questions of building socialism. Marxism is not a dogma but a guide to action. It was so in the revolutionary period and it is so in the construction period. The Chinese revolution, which overthrew the three big mountains, was successful precisely because Comrade Mao Zedong and his comrades-in-arms integrated the basic tenets of Marxism with the concrete conditions in China. Our party did not ask Marx and Engels to provide "ready answers" over 100 years ago to the victory of the Chinese revolution; likewise, we should not ask them to provide "ready answers" over 100 years ago to numerous major issues in China's socialist production and construction. If we make such a request, we shall not only display a sluggish way of thinking, but also adopt a dogmatic approach toward Marxist political economics.

Studying the principles expounded in "Das Kapital" does not prevent us from absorbing and making use of Western bourgeois political economics. It is entirely necessary to understand the economic trends in the West. There are also many things in Western economics, particularly the applied economics, that we can make use of. However, it will be impossible for us to rely on simply this to solve problems in socialist economics. Western economists admit that they are at a loss what to do with the chronic malady of the capitalist economy. How can they solve economic problems for socialist countries?

Since China followed a policy of opening up, it has imported capital from developed countries in an effort to import advanced technology. However, the main body of the Chinese national economy is still a socialist economy based on the system of public ownership of the means of production. The basic principles of Marxist political economics are still the cornerstone of our theory. We should integrate the basic principles set forth in "Das Kapital" and Marx' prediction of socialism with China's economic construction and the practice of structural reform, be bold in conducting experiments, and constantly sum up experience in order to stimulate socialist economic development and to develop Marxist political economics theoretically.

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LESSONS FROM THE HAINAN AUTOMOBILE INCIDENT

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[Article by Zhong Jiwu [6988 4764 0124]]

[Text] The Hainan automobile incident which shocked the whole country has been dealt with and made public. The incident itself and the problems exposed by the incident are very serious. The incident has caused economic and political damage to the state and to Hainan Island and has had a very bad influence. As time passes, the damage and the bad influence caused by the incident have become more and more obvious. People are surprised and cannot help asking how such a big case, the most serious one since liberation, could have happened under the good situation of reform and opening up to the world, and why the case which seriously damaged the whole island lasted for 6 months before it was finally dealt with. These questions have set people thinking and we should carefully consider them.

1. There Must Be a Correct Guiding Ideology for Professional Work in the Reform and Opening Up to the World

Hainan is a treasure island which has good natural advantages. But, at the same time, it is also a poor island whose economy is backward and which lacks funds, and everything on the island has to start anew and has to be developed. In 1983, the central authorities decided to accelerate the development and construction of Hainan Island, relax policies toward it and give it more decisionmaking power. The comrades in Hainan should have made good use of the central authorities' preferential policies toward Hainan and taken firm steps to invigorate the economy according to the guiding principle set by the central authorities regarding the development and construction there which should have been carried out by relying on the advantages of the island's resources and opening up to the world so as to gradually establish an economic structure with Hainan Island characteristics. However, the leading comrades of Hainan Island were hot-heated and were eager for quick success and instant benefit and made a "rapid take-off" plan which was divorced from the reality of the island and which advocated raising funds by reselling imported goods at a profit. Some people even suggested sacrificing the domestic market to push forward with Hainan's economic take-off. Under the guidance of such erroneous ideology, the malpractice of reselling automobiles and other imported goods emerged in Hainan in the second half of 1984.

Within 6 months, Hainan which has less than 6 million people spent more than 4.2 billion yuan in loans on purchasing automobiles and other imported goods, which accounted for 150 percent of the total industrial and agricultural output value of the whole island in the year 1983, spent more than $570 million in foreign exchange on purchasing automobiles and other imported goods, which accounts for 1,000 percent of the foreign exchange retained by Hainan, and approved the import of more than 89,000 automobiles, over 250,000 video recorders, more than 18 million calculators, over 2.8 million color TV sets, and quite a number of motorcycles, nylon cloth and high-grade consumer goods. The purpose of importing these goods was to earn money by reselling them at a profit to other parts of our country.

The departure from guiding ideology for professional work in Hainan's economic work could also be seen in Hainan's reluctance to spend funds on the development and utilization of its resources. Hainan's advantages include a wide sea area with a 1,528-kilometer coastline and its warm and humid tropical and subtropical climate suited to growing coffee, rubber, southern medicine and other tropical plants which cannot be grown in other parts of China and large stretches of grassland, forests, and uncultivated land which need to be developed and utilized. The disadvantages of Hainan Island are its poor industrial base, backward technology, and shortage of qualified personnel. So Hainan Island basically should have developed its advantages by greatly developing the production of tropical plants, livestock industry, and the relevant processing industry, rather than developing its disadvantages. However, Hainan did not spend its limited funds and foreign exchange this way. For example, Qiongshan County, which is situated at the foot of Wuzhi Mountain, has hundreds of thousands of mu of mountain forest and grassland, but the county's CPC committee always complained about the lack of funds in developing forestry and animal husbandry. On the other hand, the county spent several million yuan to import a color TV assembly line. Statistics show that the whole island imported a total of 26 color TV assembly lines with an annual output of 3 million sets. These assembly lines did not provide any advanced technology and equipment and their production was maintained by importing parts with foreign exchange. In a word, the island sold "imported goods" at a profit in a disguised form.

Developing commerce and invigorating circulation is a necessary link in economic development. However, by one-sidedly emphasizing giving priority to commerce rather than industry or stressing commerce but ignoring agriculture, or developing commerce but neglecting production, commerce will become like water without a source or a tree without roots. The so-called business and foreign trade carried out by Hainan was actually reselling imported goods at a profit and benefiting from the difference in prices. This only benefited the foreign businessmen and earned money from the hinterland. In the end, it was Hainan that suffered. The influx of a large number of automobiles, video recorders, color TV sets and so on has been tragic for Hainan. At present, over 88,000 video recorders, 520,000 colot TV sets, and other imported goods, worth a total of 1.2 billion yuan, are in stock in Hainan. Because large amounts of funds are now lying idle, the construction of quite a number of capital construction projects can neither be carried on nor be stopped, and the situation is difficult. Deep in debt many enterprises cannot maintain their production. The leading cadres of the Hainan Nitrogenous Fertilizer Plant engaged in reselling foreign exchange at a profit and reselling automobiles at a profit. As a result, "they went for wool and came back shorn." Between January and July of 1985, the plant suffered losses totaling 600,000 yuan. The Dingan County Preserved Fruit Factory was originally a profit-making enterprise. However, because the factory's leaders became greedy for money and borrowed a loan of more than 31 million yuan to import automobiles and resell them at a profit, the factory finally "threw good money after bad." The factory suffered a total loss of over 4 million yuan and is now on the verge of collapse. Examples like these are too numerous to count.

The lessons from the Hainan automobile incident tell us that in order to maintain a continued, steady, and coordinated economic growth in the regions which are open to the outside world, when doing economic work, we must proceed from actual conditions, seek truth from facts, develop advantages and avoid disadvantages, fully exploit our own advantages, import advanced technologies, equipment and funds, invigorate industry, develop resources, and establish an economic structure with our own characteristics.

2. We Must Strictly Carry Out the Party's General and Specific Policies When Invigorating the Economy

Having considered the economic backwardness of Hainan Island and its proximity to the sea, the CPC Central Committee decided to implement preferential policies toward Hainan. At one time, the comrades in Hainan conscientiously implemented the stipulations of the CPC committee so that a very good situation of rapid development of the industrial and agricultural productions appeared in Hainan. However, from the second half of 1984, under the influence of erroneous guiding ideology, they began to think that the central authorities' policies for Hainan were not generous enough. In order to invigorate the economy, Hainan should be good at "adapting itself to circumstances," and should implement "marginal policies," meaning that Hainan should set one foot inside the central authorities' policies and the other foot outside those policies. So they began to adjust the central authorities' policies to their own needs. For example, while it was stipulated that Hainan could according to its own needs, approve the import of the means of industrial and agricultural production to be used in Hainan's own production and construction, and the import of consumer goods badly needed to invigorate the island's markets, they imported a large quantity of automobiles and high-grade consumer goods; while the central authorities' policies stipulated that Hainan could only use and sell the imported materials which are controlled by the state in Hainan, and could not resell these materials to the hinterland, the Hainan authorities just dealt with the examination and inspection of the higher authorities by simply writing "not for sale outside the island," or simply stamping "only for use inside the island" on the documents or receipts for the sale of automobiles, and then resold automobiles and other materials to the hinterland. At the end of July 1984, the state general administration of industry and commerce erroneously proposed in its "six-point" suggestion on the administration of imported goods that, with the approval of the relevant department, individuals or units in the hinterland were allowed to go to Guangdong and Fujian Provinces to buy imported automobiles. The comrades of

Hainan clearly knew that this stipulation ran contrary to the spirit of the relevant document of the central authorities. However, they thought it a good chance and took advantage of it. They accelerated imports and adopted the erroneous method of "fining and then letting it pass," thus legalizing the practice of reselling automobiles to the hinterland and gaining profits from the fines.

The state administration for foreign exchange control stipulates that no unit or individual is allowed to resell foreign exchange at a higher price in any form. The comrades of Hainan just covered themselves with the legal garb of "joint operation" and "coordinated operation" in reselling foreign exchange at a profit in a disguised form, and even publicly resold foreign exchange at a profit in the society.

When the wind of reselling imported goods at a profit blew up, there was indeed a short-term false prosperity in Hainan. For a time, Toyoto Crown cars, light buses and other automobiles swarmed into Hainan from Shenzhen; foreign cargo ships carrying hundreds of thousands of automobiles docked at Haikou Harbor; the various hotels in Haikou city were full of the customers, including businessmen from Hong Kong and buyers from various provinces and cities of the hinterland; in the guest rooms and at the dinner tables, people publicly discussed prices and bargained with one another. When they finally reached an agreement on reselling one or two automobiles at a profit, someone immediately became a "rich man with 10,000 yuan." If someone could sell a certificate authorizing the import of more than 100 automobiles, he could earn a "1 million pound note." Therefore, a large sum of money flowed into the pockets of individuals or into their bank accounts, and local financial income statistics showed a continued growth. Seeing all this, some people were so carried away that they regarded the disorder as "prosperity," and the disaster as "achievement."

In fact, the automobile incident caused enormous losses to the state and to Hainan: Tens of thousands of automobiles were imported, and then were purchased and rush-transported by the state. The automobiles were first transported from Japan to Hainan, then shipped from Hainan to the mainland, and then distributed to the various provinces and cities. From the north to the south, and then from the south to the north, a large cycle of automobile transportation was carried out. In order to rush-transport and store the automobiles, nearly 10,000 cadres and masses as well as dozens of ships and battleships were mobilized. Had the state not adopted such a method, the losses would have been much bigger. Hainan also imported a large number of other state-controlled commodities worth over 1 billion yuan. It purchased these commodities at prices 20 percent higher than the state unified import prices, thus causing losses of over several hundred million yuan. What is worse, some of these commodities were actually expensive commodities of poor quality, which could not find a good market.

The automobile incident has not only caused enormous economic damage to our country, but has also had serious political effects. The incident damaged party style, polluted the general mood of society, corrupted a batch of cadres, and confused people's minds.

This once again demonstrates that in the new situation of reform and opening up, first level party organizations and governments must seriously, correctly, and wholly implement the party's general and specific policies. Only by correctly implementing the party's general and specific policies can wealth be created and economic growth be accelerated. The practice of taking advantage of loopholes in the policies, seizing every chance to gain advantage by trickery, or engaging in illegal or dishonest practices will surely cause trouble and disaster to the economic construction and hinder economic development.

3. In Building the Four Modernizations, We Must Stick To Simultaneously Carrying Out the Building of the Two Civilizations

In the automobile incident, the mentality of money worship characterized by "everything for money" reached a very high level. In order to earn money, some party members and cadres ignored party policy, resorted to both fair and foul means, ignored morality and seriously violated the national law and the party discipline. Considering partial and immediate interests, some party and government organs violated the party policies in establishing enterprises, reselling imported goods at a profit, and recklessly distributing bonuses. From January 1984 to March 1985, the rural work department under the Hainan District CPC Committee distributed over 3,000 yuan to each of its directors and deputy directors. The section chief of the Foreign Economic Relations Commission of Qiongshan County and, concurrently, the general manager of the Qionghua Company received bonuses of 19,460 yuan within 8 months, which was equivalent to the total amount of his salary over 21 years.

Quite a number of banks violated the financial policies by raising the interest rate, providing loans which were to be retransferred to other units, recklessly demanding "service charges" and receiving "red packages," and using loans to seek private gains. The Sanya branch of the Bank of China received "red packages" totaling 566,000 yuan from four units. The district and county industry and commerce administration violated the stipulations of the central authorities' document by practicing the method of "fining and letting it go." Some even sent staff into the streets and various places to set up outposts to fine those who came to the island to buy automobiles, and even sent staff to other areas or counties to fine people.

In order to make money, some party members and cadres even degenerated into criminals and were arrested for contravening the law. By the end of 1985, several hundred cases involving more than 200 party members, 13 cadres at the rank of county head or regimental commander, and 2 cadres at the rank of department head or bureau chief had been investigated. These cases included corruption and bribe-taking in the automobile incident. The former member of the Standing Committee of the Hainan District CPC Committee and head of the organization department of the Hainan District CPC Committee was a red little devil during the war years, who joined the revolution at the age of 13. However, in opening up to the world, he could not resist the corrosive influence of the bourgeois ideology and envied government officials in the West, who could have a lot of private property after their retirement, so he was eager to do business and make money. Under his direction, the organization department of the district CPC committee took the lead in establishing companies to go into the automobile business, and even distributed the interest on the party membership dues of the Hainan District and confiscated money as bonuses. He also made use of his position and collaborated with lawless elements in the society in reselling automobiles at a profit and taking bribes. Finally, he became a criminal.

In order to make money, some units regarded the dregs of society as "capable men," and appointed rogues, gamblers, hardened thieves and people released from reform-through-labor farms as "managers," "advisers," and "sales representatives." For example, a criminal who had been sentenced to 5 and 20 years' imprisonment on two separate occasions for corruption, speculation, and profiteering was regarded as a "capable man" by a company run by the regional people's government when he was released on bail because of illness. The company let him illegally resell foreign exchange at a profit for it.

The rapid growth of the mentality of "putting money above everything else" had serious consequences. This was mainly because Hainan's CPC organizations and government departments neglected party construction and ignored the building of spiritual civilization and ideological and political work. The former district CPC committee seldom held special meetings to study the question of conducting education in party spirit, party style, and party discipline, and the question of strengthening party construction. Political work was not put on the agenda of the district CPC committee. None of the four former deputy secretaries of the district CPC committee was in charge of the work concerning the party and masses. The situation in various cities and counties in the district was almost the same. Because the district CPC committee lacked qualified political workers, the district party organizations were lax, the party spirit of the members was not strong enough and the party members did not have a strong policy concept. According to an investigation conducted by the Lingao County CPC Committee's Commission for Discipline Inspection in 76 party branches in the county, 64 out of 76 party branches could not carry out regular party organization activities. The former secretary of the Chengmai County CPC Committee had engaged in serious malpractices, but when discussing his disciplinary punishment within the party, no one knew which party branch he belonged to.

Comrade Chen Yun pointed out: "If socialist spiritual civilization is ignored, our entire cause will probably deviate from the Marxist and socialist road." The Hainan automobile incident is a proof of this fact. Only by ideologically correcting the erroneous phenomenon of ignoring the building of spiritual civilization and simultaneously carrying out the building of the socialist material civilization and the socialist spiritual civilization can we ensure that our cause develops healthily in the socialist orientation.

4. We Must Strengthen the Party Leadership and Stick to Democratic Centralism

Another reason why the Hainan District CPC Committee, a first-grade party organization, made such a serious mistake is that they ignored and abandoned the party leadership in economic work, and there was a lack of or even no principle of strictly implementing democratic centralism.

That Hainan spent a lot of loans and foreign exchange on importing and reselling automobiles and other materials at a profit was a major policy question concerning the development and construction of Hainan. However, the members of the Standing Committee of the Hainan District CPC Committee never held meetings to discuss these questions, and all the decisions were made by the comrades responsible for government work. After news of the automobile incident broke, the CPC Central Committee, the State Council, and the Guangdong Provincial CPC Committee immediately sent telegrams and made telephone calls to Hainan demanding an immediate end to the incident. However, the Hainan District CPC Committee did not pay enough attention to this serious question and neither did it hold any discussions on it, but instead, left the whole matter for the Hainan District People's Government to deal with.

When summing up the lessons of the automobile incident, the former responsible comrade in charge of the district CPC committee said in his self-criticism that he had a one-sided understanding of the question of separating the work of the party committee from the work of the people's government, thinking that the party committee should try as much as possible not to intervene in the affairs of the government and let the government do whatever it wanted to do. He said that on some major questions, he had violated the party's principle of democratic centralism, and made decisions by himself which had serious consequences later on. He said with a deep feeling of remorse that it was the absence of party leadership that had caused the incident.

On the other hand, the district people's government had serious problems in subjecting itself to the leadership of the district party committee. In the more than 2 years he was in charge of the government work, the former responsible person of the district people's government had never submitted formal reports on major questions to the district CPC committee, but instead, had done things his own way and made decisions according to his own will. He thought that there was no such question as collective leadership and the question of the minority being subordinate to the majority in the work of the government, or that in the relationship between the head and the deputy head, the deputy head should be responsible to the head. So on the major question of importing automobiles and some other materials, he had neither submitted the matter to the district CPC committee for careful discussion and examination nor did he let the matter be discussed at the work meeting of the district people's government. He had only privately consulted one or two persons before making the decision by himself.

The implementation of the separation of the work of the party from that of the government does not mean that the party committee can let the government do what it wants to do, nor does it mean that the government can break away from the leadership of the party. The former responsible comrades of the Hainan District CPC Committee and the Hainan District People's Government ignored and abandoned the leadership of the party and the principle of democratic centralism, so they made mistakes. This lesson is very profound!

In addition, as far as the work of discipline inspection is concerned, we must pay more attention to the work of investigating cases of violation of law and discipline by first-level party organizations and first-grade governments. In the past, our discipline inspection activities mainly centered on investigating violations of law and discipline by individual party members and cadres, and we did not pay enough attention to investigating violations of law and discipline by first-level party organizations. Even when we discovered such cases, very often, we did not seriously deal with them or we just dealt with them lightly simply because the money had not been pocketed by the individuals. Usually, we only asked the relevant party organizations and governments to sum up the experiences and "not to repeat the same mistake again." In 1982, the tungsten ore incident took place in Hainan. At that time, certain cadres illegally approved the export of large quantities of tungsten ore in violation of the state policies, on the excuse that Hainan was poor. As a result, the state suffered economic losses totaling tens of millions of yuan. When investigating the case, we thought that it was just a few units that had violated the state policies in exporting tungsten ore. So we dealt with the main responsible cadres too leniently, and the leading comrades of Hainan did not learn a lesson from the incident. Two years later, between April and May of 1984, another incident happened in Hainan: The district CPC committee and district people's government held three so-called "immortals' meetings" to discuss "flexible policies." Later on, the district CPC committee and district people's government issued three documents on lowering the tax rate and on units raising subsidiary funds by themselves for the construction of the island, and so on, to encourage and support the party and government organs to undertake the automobile business. The district CPC committee and district people's government also three times increased the quota regarding the amount of profits turned over to the district government by the foreign trade and economic relations department and its affiliated departments in order to urge them to boost automobile imports. Thus the wind of reselling imported goods at a profit began to blow from the top to the bottom throughout the island in an organized and guided way. This tells us that we must pay more attention to violations of law and discipline by first-level party organizations and governments because the losses caused by first-level party organizations and governments are more harmful and more influential than the losses caused by individual party members and cadres.

The mistake made by Hainan District CPC Committee in the work of opening up and constructing Hainan caused enormous economic and political damage to our country. This is a bitter lesson. However, a bad thing can be turned into a good one. So long as the comrades in Hainan conscientiously sum up the lesson and experience, bestir themselves again, and stick to the correct orientation of reform and opening up, Hainan will surely take off, and achieve great success in the building of both socialist material civilization and socialist spiritual civilization.

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REFORM BALLAD SINGING AND SUCH FOLK ARTS BY ORIENTING THEM TOWARD THE PEOPLE

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 26-28

[Article by Tao Dun [7118 6868]]

[Text] The 10 years of disaster of the "Cultural Revolution" caused ballad singing and such folk arts to suffer serious damage. Since the smashing of the "gang of four," with the great efforts of the vast number of workers in ballad singing and other such folk arts, many achievements have been realized in terms of the creation and performance in ballad singing and such folk arts. But in general, when compared with the demands of the times and the demands of the masses of people, their revival and development has not been completely satisfactory. Some people even think that following the flourishing of films and television, the spoken and sung arts of ballad singing and other such folk arts will be replaced by modern art forms and will not be able to be revived.

I believe that any particular art form, if it is needed by the public, will not wither away. Nothing can develop in a straight line and everything must inevitably take twists and turns. Today, in an environment where the state is prosperous and the socialist cause is thriving, as to whether or not ballad singing and other such arts are facing their demise, we must carry out investigation and research before making a judgment.

First, we should examine this in terms of the rural areas. Many types of ballad singing and other folk arts came from the rural areas. The plowshare drum storytelling introduced in "Laocan Youji" got its name from the fact that a tiller beat a broken plowshare and performed a song. Jingyin drum storytelling originated in the rural areas of Hebei Province where they used a large plank drum. When introduced to the capital, it developed into today's exquisite, moving music. Shandong clapper ballads are called "second brother Wu" in the villages of Shandong. Clapper talk originated in jingles used by streetside beggars. There are more examples. It can be seen that ballad singing and such folk arts have a long historical tradition in the rural areas.

Since the 3d Plenary Session of the 11th CPC Central Committee, the rural reforms have achieved victory after victory, and the problems of feeding and clothing the peasants have been basically resolved. However, the question of cultural food has still not been settled. Ballad singing and such folk arts are old friends of the peasants and are cultural entertainment which they enjoy and can easily obtain. That the performances of ballad singing and such folk arts are well received can be seen from the following examples: Majie town in Baofeng County, Henan Province, has the custom of using the commodity exchange fair in the first month of lunar New Year to invite artists to come and engage in storytelling. At the storytelling fair on the 13th day of the first lunar month in 1982, over 700 persons came. Each performance area occupied 10-plus square meters of open ground. The artists beat their drums, clapped their clappers, plucked their strings, spoke, and sang, and attracted many listeners. When they finished, they signed contracts with various villages to go there to tell stories. Over 3 days there were six sessions of storytelling, with prices, based on the quality, ranging from tens of yuan. Apart from artists from Baofeng's neighboring counties, there were also artists from Shandong, Anhui, Hubei, and Shaanxi. For many years, Majie town has provided storytellers with free food and board, as they would for friends and relatives. Ningjin County in Dezhou Special Prefecture [zhuan qu 1413 0575], Shandong Province, has arranged a study course in ballad singing and other such folk arts. Young people from the rural areas supply their own food and come to study. After 9 months they are able to go into performing as a business. In other provinces, the rural activities in regard to ballad singing and other such folk arts are also dynamic.

We have also done a simple investigation in the industrial cities. The summer business of the Harbin ballad singing troupes was not good. They purchased a large tent and risers and went to perform by the Songhua Jiang for tourists and swimmers. One summer, apart from their living expenses, all the profits went to paying back the money used to purchase the tent and seats. In 1979, Anshan city revived four storytelling areas and there were performances day and night. This was welcomed by the old retired workers and employed people. The famous professional storyteller Liu Lanfang [0491 5695 5364] comes from Anshan. It is no coincidence that it was here that storytelling areas were revived quite early, giving the workers a chance to listen to stories.

We can see that from the beginning the masses have loved ballad singing and other such folk arts, and this remains so today. The situation of decline today in ballad singing and other such folk arts cannot simply be put down to films and television competing for the audiences. On the contrary, it is because ballad singing and other such folk arts have divorced themselves to different degrees from the masses and have not created a sufficient spirit of serving the masses. This can be seen from the following facts:

Ballad singing and other such folk arts moved from the open air of the villages and the small stages of the towns to the large theaters only after receiving the solicitude of the government in the 1950's, vying for glory, receiving the attention of society, and undergoing reforms. When ballad singing and other such folk arts began to appeal to refined tastes, they began to be classed with the more mainstream arts. The position of the ballad singers and performers of other folk arts was greatly raised. We were extremely happy about this. The scattered artists were now supplied through state management and ballad singing and folk art troupes were established. When this happened, the ballad singers and folk art performers did not have to rush to do two or three performances each night just to make a living. Their income was basically guaranteed. This manifested the superiorities of socialism. However, this "big pot" system where part or all was guaranteed by the state also caused problems: The enthusiasm of the ballad singers and folk art performers could not be brought into play, and they became divorced from the masses. Some troupes had a large number of people and performed seven or eight items every evening, with none of the items exceeding half an hour. Not every performer performed every night. The styles of the big theaters as far as advertising, box offices, and announcers have been adopted by the ballad singing and other folk art performance managers. Who among the peasants or workers has the spare time or the interest to go and watch? This is the first of the ways in which ballad singing and such folk arts have divorced themselves from the masses.

In the past when ballad singing and such folk arts were performed on small stages, there was generally a statement at the beginning of each item: "Tonight I wish to sincerely sing for everybody a...." The performers were very modest. But today there are performers who, although claiming to serve the masses, treat themselves as "artists." These are two different attitudes and work styles. In the past, in the storytelling arena there were narratives, monologues, dialogues, and question-and-answer sessions between performers and the audience. In the storytelling arena, the performers, the audience, and the waiters were all the same people--such a good relationship! Today this sort is relationship is no more. Behind the stage, the performers put on their make-up and people not related to the show are not allowed in. Out front, only the performers speak while the audience listens. The performers thus cannot understand the ideas and demands of the masses. This is the second of the ways in which ballad singing and such folk arts have divorced themselves from the masses.

There are over 300 types of ballad singing and such folk arts. Of these, the short storytelling forms containing from a few sentences to 200 or 300 sentences constitute over two-thirds of the total. Medium-length storytelling forms include spoken storytelling, the sung storytelling form, and Suzhou storytelling and clapper talks forms, which involve both speaking and singing. In all regions, the majority of people like to listen to the telling of long stories. After readjustment following the founding of the PRC, Beijing had 26 storytelling areas. Each day there were two performances. The long storytelling form was the main form at these events, and which were held throughout the year. In the rural areas, short stories are only told as a prelude to long stories, as a means of quieting the crowd. It must be said that the peasants feel close to the long stories. From the founding of the PRC, until after the smashing of the "gang of four," ballad singing and other such folk arts work was centered on the performance of short works. The achievements in this should not be underestimated. However, what the peasants and workers are used to and like are the medium-length or long pieces with a continuous story. However, for a long time their demands have not been met. This is the third of the ways in which ballad singing and such folk arts have divorced themselves from the masses.

The aim of performing ballad singing and other such folk arts is ideological education and entertainment through such art forms. The masses have a deep respect for the loyal ministers, righteous men, and heroes who gave themselves for others and protected the motherland throughout history. However, because over the last few years management and guidance over ballad singing and such folk arts has been lax, some stories and songs containing pornographic and strange contents have become openly or secretly popular, harming people's ideological health. In the reform of the arts, efforts have not been made in regard to the nature of what is spoken or sung, but rather in increasing the number of performers and increasing the size of bands, pushing the performances toward the musical field, or in making up performers so that there is a development toward theater. As long as they get applause and laughs from the audience, they do not concern themselves with the contents or whether it is low-level vulgarity. These improper methods in both content and forms go against the interests of the masses and harm the reputation of ballad singing and such folk arts. This is the fourth way in which ballad singing and such folk arts have divorced themselves from the masses.

I believe that the above four ways in which folk arts have divorced themselves from the masses are the reasons why ballad singing and such folk arts have not boomed and have not been revived for a long period. The rise of film and television and their competition for a portion of the audience is an external reason. If there were no internal reason, the external reason would not play a great role. Today, in studying the role of ballad singing and such folk arts, we must pay great attention to this situation and recognize the previous biases and shortcomings in the storytelling and other folk art work. (I have worked in leading posts in mass ballad singing and folk art troupes for over 30 years, and should also accept responsibility.) If we seek specific, effective reform measures without recognizing the objective facts, ballad singing and other folk arts will continue to decline and it will be very difficult to change the old practices. In leadership ideology, we must make it clear that ballad singing and other such folk arts are national, mass art forms of the motherland. They have a long history and are greatly loved by the vast masses and laboring people. If we rely on these to gain a little historical knowledge and understand some social truths, it will be possible to resolve some of the cultural and entertainment problems. This requires that we support them, manage them, and foster them so that they prosper. Toward this end, I feel that the following few points are worthy of thought:

First, the focal point of performance should be placed on small theaters and long stories. Small theaters should be established in the rural areas in county seats or in cities or towns directly under the county. In areas where the tertiary industry is fairly centralized and as a convenience for the public, cities should establish small theaters which can be called storytelling teahouses. For example, a large city such as Beijing could maintain its large ballad singing and folk art troupes, but at the same time could develop a new "Tianqiao" and a new "Chaowai Market" (areas which were fairly well known for their ballad singing and other such folk arts). There are over 2,000 counties throughout the country. At the very least, each county contains two or three cities or townships. If in each county seat and rural township one or two small theaters or storytelling teahouses are established, there would be over 10,000 venues, which would mean at least 20,000 ballad singers and folk art performers. They will be able to circulate throughout the county, through neighboring counties, and even through the whole province. The roads are broad.

As to the prerequisites for storytelling teahouses, they can be adjusted to local conditions and equipped in accordance with needs and capabilities. For example, normal storytelling teahouses can be set up near areas where the tertiary industry is thriving, with a shop unit as the smallest size. High-quality storytelling teahouses can be established in hotels and restaurants as Chinese-style "salons." The latter can have sofas, easychairs, and small tables for teacups and fruit. When there are no performances, it will be possible to discuss things, talk about trade, meet friends, and discuss poetry at these places. The performers' names can be noted on posters. They might decide on storytelling items themselves or possibly accept paid bookings for storytelling. These could be booked in advance; for example, booking today for a performance tomorrow. If we do things in this way, I believe that not only can ballad singing and such folk arts be "enlivened" but they will also become more flourishing.

Reforming the contents of the programs performed in ballad singing and such folk arts is the second important question. We must use new stories and good stories to replace old stories and bad stories. To begin with, it is possible to allow outstanding, traditional programs to take the foremost position. Then we must put efforts into gradually increasing new, modern programs. In handling traditional storytelling programs, we must act in accordance with the principle of getting rid of the dross and taking the essence. With small changes, rough works can become gems, while great changes, deletions, and additions will produce flawless works. In readjusting traditional storytelling programs, we must select those which can attract the masses on an artistic level, and adjust these programs so that they conform to patriotic ideas and have a socialist spirit, or at least so that they contain nothing harmful. The reforms can be carried out through various steps. The first step will be to get rid of the major harmful parts so that the stories do not contain the poisons of absurdity, weirdness, or pornography. The second step will be to make the stories beneficial and artistically capable of attracting the masses. A further step will be to have them spreading patriotism and socialism and achieving an exquisite artistic level. We should require that the audiences obtain some historical knowledge through historical stories, while stories of legal cases should allow them to make a clear distinction between right and wrong, good and bad, loyal and disloyal. Through telling stories of human feelings of coldness and warmth and the inconstancy of human relationships, the audiences will understand social practices, conditions, and customs. As to new stories with modern contents, they need to praise good people and good acts and expose evil persons and evil acts. They also need to prominently popularize heroes who do not fear sacrificing themselves for the country or giving themselves for others and model persons who forget themselves in laboring for socialism. The words of the created ballads and other folk art stories should be as close as possible to spoken language so that the artist can easily adjust them and it is convenient for presentation. Even if there is no need for readjustment, they will still be easy to present.

The third important question is training successors. We must strongly advocate fostering people talented in ballad singing and other such folk arts by organizing ballad singing and folk art schools. In general, in the rural areas, counties can run training classes for ballad singing and such folk arts, so as to train rural performers in these fields and to provide performers for the storytelling teahouses in the county. The best of these can be selected to go to the provincial art school to study. The ballad singing and other folk art study classes in the provincial art schools should mainly train performers and writers in the areas of ballad singing and other such folk arts for the province. Apart from providing performers for the provincial art troupes, these students can also train county performers to raise their standard. At the same time, the best can be selected to go to study at tertiary-level colleges for ballad singing and other such folk arts. The study classes in ballad singing and other such folk arts and the schools teaching these arts will train new artists well versed in China's cultural arts and China's social history. As soon as we establish a system of schools for ballad singing and such other folk arts and ensure that they are on the right track, we will be able to provide a steady stream of people skilled in ballad singing and other such folk arts.

Fourth, we must greatly develop schools of ballad singing and such folk arts and accumulate and preserve artistic materials in regard to ballad singing and such folk arts. The song sung in the television serial "Four Generations Under One Roof" by Xiao Caiwu, the founder of the Luo school of Jingyuan drum singing, has already been heard throughout the nation. In 1984, Guo Wenqiu of Shandong and her fellow students, a total of three women, did an experimental performance of Henan Zhuizi ballad singing in the Qiao Qingxiu style. This was warmly received by the audiences in Tianjin, Jinan, and Zhengzhou. Long ago there were already numerous schools of Suzhou ballad singing in the south. Today they are even more numerous. The Chinese Musicians Federation is in the process of compiling a "Collection of Music for Ballad Singing and Such Folk Arts," while the Art Research Institute under the Ministry of Culture has begun compiling a "Ballad Singing Gazeteer" for each province, city, and autonomous region. This work provides a base for the revival of ballad singing and such folk arts and is something which should be done.

If we wish to ensure that these mass folk arts of ballad singing and so on, which have a historical tradition in our nation, serve the building of material and spiritual civilization and the four modernizations through reform and renewed revival, then leading government cultural departments should coordinate the cadres and adopt practical measures (including stipulating funds) to manage them. Reform should proceed from reality and demonstration performances should be carried out at the grass-roots level. Ballad singing and such folk arts associations, their branch associations, and other such mass organizations should reform their work styles and separately go down to the grass-roots level to run classes for ballad singing and such folk arts, and should assist in the building of teahouses for storytelling. In brief, we need to make comrades understand that the reform of the contents and styles of performances in regard to ballad singing and such folk arts is a demand of the new situation. Thus, we need to act positively by coordinating top and bottom, right and left, so that ballad singing and such folk arts have renewed vigor, are better able to serve the laboring people, and can become a stable propaganda front for the rural areas and the cities.

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IMPROVE THE QUALITY OF TEACHING WHILE MAKING COMPULSORY EDUCATION UNIVERSAL

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[Article by Liu Fonian [0491 0154 1628]]

[Text] Now China has begun to make compulsory education universal. This important event has a bearing on the future of the state. Growth in quantity and improvement in quality are indispensable to this program. The two must be carried out simultaneously. Quantity should not be overstressed to the neglect of quality. To do otherwise will cause tremendous waste in intellectual and material resources and not help achieve the desired results. Many conditions are necessary for improving quality, such as school buildings, equipment, teachers, teaching plans, teaching programs, and teaching materials, of which teachers are most important. The educational thought and educational competence of teachers are vital to the improvement of the quality of teaching. Many of these conditions cannot be thoroughly created in a short time. For example, as far as equipment, teachers, and teaching materials are concerned, it may take a fairly long time before we can meet their requirements as expected. Should we carry out teaching reforms and raise the quality of teaching only after we have all these conditions? Certainly not. If we do that, the training of a generation of people will be delayed. Many conditions can be created through hard work in the course of the reform. For example, the improvement of the professional competence of teachers cannot be achieved in the absence of the practice of teaching reforms or merely by reading books. Therefore, with the present conditions of teachers, equipment, and teaching materials, we must strive to improve our teaching and raise our teaching quality.

In this regard, we must first do away with an old concept, that is, the assertion arguing that most students in the classes of key schools do exceedingly well in their studies: only a number of students in ordinary schools do relatively well in their studies; and most students in these schools do passably well or poorly in their studies. If a teacher has this idea, he will be unable to improve the general performance of his students in their studies. The experiences in teaching reforms at home and abroad have proved that if teachers strive to improve their teaching methods, it is entirely possible that most students can do very well in their studies steadily. To conduct teaching reforms, teachers in ordinary schools must have this belief.

Having or not having this belief makes a world of difference. It will not only influence the morale and confidence of teachers in their work but also directly influence the morale and confidence of students. We are often confronted with this phenomenon: If a teacher considers a student not academically deserving, the student will lose his confidence in making progress and gradually fall helplessly behind others under the influence of the teacher's view, but when a student finds out that his teacher has hope and confidence in him, he will study and make progress, full of courage and confidence. People often say: A teacher must strive to be an educator. A good educator is a teacher who develops a large number of students with ordinary or poor academic records into ones with excellent academic records and not the one who maintains the original schooling record levels of the small number of students with excellent academic records whom he picks up after eliminating a large group of students through selection.

To turn this belief into reality, we should concentrate our efforts on every link in the process of teaching so as to achieve good results in such areas as teaching objectives, teaching assessment, and teaching methods.

In doing everything, we must have a clear objective in mind. When drawing up the teaching objectives for the courses he teaches, a teacher must first act in line with the state's general objectives in education and at the same time, he must be clear about the training objectives of ordinary schools. They already have relatively specific requirements on the students' moral, intellectual, physical, and aesthetic development and on their cultivation of a proper attitude toward labor. Only when we base ourselves on the requirements can we work out our concrete teaching objectives for the courses we teach. The teaching objective generally stipulates the knowledge which the students are required to memorize and understand, such as important facts, concepts, and principles. The teaching objectives for some courses must stipulate the technical ability or techniques that should be mastered and also the ability to use facts and principles to analyze and solve problems and the creative ability that should be developed. In addition, specific stipulations and requirements should be worked out in helping the students cultivate a correct attitude toward study, developing their interests, self-confidence, and the habit of being diligent, and in promoting them to foster socialist ideas. In considering their teaching objectives, generally speaking, the teachers attach greater importance to mastery of knowledge and more often than not, they are apt to neglect mastery of skills and a proper attitude toward study. This state of affairs warrants our attention. More detailed stipulations should be worked out for every unit of a course in light of the actual conditions of a school. Only with such clear and concrete objectives can we effectively guide our teaching. In defining these specific objectives, we should use the teaching program and other teaching materials for reference, sum up our own teaching experiences, and bring collective forces into play. Most schools are in a position to do so. It is hoped that the educational administrative departments at various levels and research institutions will compile more reference materials concerning the writing of teaching objectives. Not only are the teachers required to be clear about the teaching objectives but the students are also encouraged to understand them. With a clear understanding of the objective of their study and the concrete standards for their studies, the students will have the greater initiative in their studies.

Once teaching objectives are defined, the teachers must teach students in accordance with the objectives and strive to implement the set objectives right down to the students. In the past, more often than not, the teachers failed to implement the clear and specific teaching objectives required by school authorities. In reality, what decided the teachers' teaching direction was very often the entrance examination rather than set objectives. If learning by rote and mechanical practice are stressed by the entrance examination, a teacher will steer his teaching activities in this direction. Hence, there is a common saying, the entrance examination is the baton of teaching. If this problem of education thought is not solved, the specific objectives for training students will be useless. Objectives should be combined with assessment. The results of assessment commensurate with the requirements of the objectives can be considered good records and those incommensurate with the requirements of the objectives can be considered poor records although the students are enrolled in higher schools. Therefore, the teachers involved in the reform must set the examination questions in strict accordance with the objectives. The range and quality of the questions must be in keeping with the requirements of the objectives. It is necessary to constantly improve our methods of examination so that they will become more scientific. Measuring methods must be diverse. With such diverse methods, the fulfillment of the various objectives can be measured or assessed. Meanwhile, it is also necessary to solve the problem of the entrance examination and to set the entrance examination questions in strict accordance with the training objectives set by the state and the teaching objectives for all courses so that the entrance examination can more closely be combined with the educational activities carried out according to the teaching objectives.

If educational objectives and educational assessment are carried out properly, it will be rather easy to improve teaching methods. If the first two are given a great deal of attention, this will promote the teachers to strive to improve the process of education which forms an intermediate link in education with educational objectives at the head and educational assessment at the back of teaching methods. How to improve teaching methods so as to accomplish teaching objectives is an important topic. The practice and experience in this respect at home and abroad are very rich. However, whether the modes or methods of teaching are practical is decided by many conditions. The teaching methods which work well in key schools are not necessarily applicable to ordinary schools. For example, as teaching aids, computers may possible be adopted only by key schools in a step-by-step manner within 10 to 20 years. Ordinary primary and middle schools are not likely to have such conditions. Therefore, here I would like to enumerate some methods which can probably be experimentally tried in the vast numbers of ordinary primary and middle schools in our country at present.

First, it is necessary to use feedback and remedial methods. In terms of function, assessment can be divided into two categories. The first category is that after the teaching of course is complete, an examination is to be conducted so as to assess the students, give them marks or grades, and decide whether they can go up to a higher grade or enter higher schools. The other is that after a teaching period ends, a "diagnostic" examination should immediately be held in which no marks will be given to the students, in an attempt to find out what the students have or have not mastered and been able to apply in their studies. With this feedback information, the teachers should take remedial measures or organize student groups to help the students who have difficulties in learning and applying what they have been taught to have a real mastery of the required knowledge. Before they are proved to "have reached a standard," the study of another unit of a course should not be started. Experience both at home and abroad show that this method of working steadily and making solid progress will enable most students to do well in their studies. With their improved school performances, many students who previously did poorly in their studies have strengthened confidence in their studies, fostered a greater interest in the subjects they are learning, and thus become more diligent in their studies. This state of affairs has in turn changed the views of many teachers on "students with poor academic records." If, pending the start of a new course, an examination is conducted on the knowledge which has been learned or which is related to the new course and if appropriate remedial measures are taken after getting feedback information from the examination, the results will be much better. Some teachers achieve good results in using the feedback and remedial methods in every lesson they teach by asking questions or asking their students to do exercises in class. Most teachers will not have great difficulty using these methods.

Second, it is necessary to correctly handle the relationship between meeting the needs of the whole class and teaching students in accordance with their aptitude. It is very common that quite a few teachers focus their attention on a small number of outstanding students in class. They gear their explanations to the needs of these students and give their priority in answering questions, doing exercises, and airing their opinions, and encouragement is meant mainly for them. The students with ordinary or poor academic records are not given such an opportunity. Consequently, the students with good academic records are doing better and better in their studies while those with poor academic records are doing worse and worse. If our teachers address this problem, gear their teaching to the needs of the whole class, design different questions and set different tasks for the students according to their different scholastic levels, let students of all types participate in teaching activities within their capabilities, and praise whatever progress they have made, most students with ordinary or poor academic records will be able to steadily improve their studies and attain A levels. This has been proved by experience both at home and abroad. If a teacher pays attention to this problem and asks his colleagues and students to constantly remind him to do so, bilateral relations can be extensively established between himself and his students.

Third, it is necessary to bring the enthusiasms of the teachers and the students into play. In order to help the students master important concepts and principles which are difficult to understand, the teachers are encouraged to regularly give heuristic explanations of them. However, if classroom teaching is confined totally to the teachers giving explanations, it will be impossible to bring the students' enthusiasm and capabilities into full play. Encouraging the students to use their brains in fulfilling the tasks and answering the questions which their teachers set within the reach of their students' capabilities will more often than not better kindle their enthusiasm for exploration. A teacher's task is to enlighten, guide, and help rather than to serve as substitutes for the students' exploration and hard thinking. The problems that can be solved by the students should be left to be solved by the students themselves. With all these taken care of, the teachers will be able to help their students cast off the yoke of passively learning by rote, raise their interest in study, develop their abilities, and accomplish satisfactory results in their studies. Of course, this is not an easy thing to do. However, it can be attained so long as our teachers genuinely manage to solve the "problem of teaching materials," steadily familiarize themselves with some main teaching methods, and at the same time, pay attention to learning from others' good experiences and have the courage to implement them in practice. The achievements of the teachers in their teaching work must be ardently encouraged. The students, in particular, those with ordinary or poor academic records who have enhanced their ability to study and think things through independently will be able to make rapid progress in their students. When they are interested in and have made progress in their studies, they must be given proper guidance and encouragement. Without a doubt, such encouragement will further arouse the enthusiasm of the teachers and the students.

Fourth, it is necessary to combine school education with family and social education. Whether or not the teachers and the students in school cherish a deep affection for each other has a great impact on the latter's enthusiasm. CYL and Young Pioneer activities and mutual help and mutual education among students in and outside classroom activities can also play a certain role in arousing the students' enthusiasm. A family has an exceptionally great impact on its members who are in the stage of preschool, primary, and junior middle school education. A teacher must know about the methods of family education, establish regular ties with the parents, and together with them, study how to help the children cultivate good study habits at home and solve the difficulties cropping up in their studies and homework, how to create favorable conditions for their studies, how to encourage and reward their good performances in study and behavior, and how to have rational expectations for the children. If all these matters are properly done, the pupils' school performances can be significantly improved. Social education, including educational items in television programs and Children's Palace activities, also have a fairly great impact. If school education is combined with family and social education, this will certainly help improve the school performances of the vast numbers of the students.

The methods I have mentioned above are only part of the good experiences applicable to ordinary schools. American Professor Bu Lu Mu [1580 7627 1191] and his followers as well as Gu Lingyuan's experimental mathematics teaching group in China's Qingpu County already have experience in this regard. However, before their experiences can be popularized, more experiments are still needed. By mentioning all this, I do not mean popularizing their specific methods but I do mean to show that improving teaching quality is not an extremely difficult job before which we are powerless. So long as our teachers proceed from actual conditions, make genuine efforts to study and keep abreast of the students' school performances and ideological development and to study how to improve teaching methods, and teach with a definite object in mind and by suiting the remedy to the case, they will be able to discover the methods which promise better teaching results. Of course, to thoroughly improve teaching quality, it is necessary for the teachers to fundamentally raise their cultural and ideological levels and improve their professional competence and teaching ability. This is a long-term arduous task which calls for a great effort to complete. Nevertheless, a 9-story tower begins from the ground and a great distance starts at our foot. We are confident that so long as we start with what we have achieved so far and with our present levels, we will approach our goal step by step and attain it.

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THE LIMITATION OF ABILITY BY DEFECTS IN THE METHOD OF THINKING

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[Article by Zhang Jing [4545 4544]; capitalized passages published in boldface]

[Text] Fichte said: It is man's behavior that accounts for his philosophy. Regarding man's ability, it is more appropriate to put it the other way round: Man's way of thinking accounts for his wisdom and intelligence. If the scientific materialist dialectical method of thinking, which reflects the universal law governing the movement and development of nature, society, and thinking, makes people wise and intelligent, its opposite, the idealist and metaphysical method of thinking, which runs counter to the universal law governing the movement and development of things, makes people slow-witted and stupid. Not excluding such factors as knowledge, skill, and technique, man's ability always benefits by the merits in his ways of thinking, while defects in one's way of thinking (idealistic or metaphysical elements) will inevitably limit and affect the development of one's ability.

Those who advocate the theory of innate genius make a fetish of natural gifts and talent, refusing to acknowledge the important place of the scientific way of thinking in man's ability; and of course, they fail to see the limitation in ability resulting from the defects in one's way of thinking. In fact, such limitation can be found everywhere, without exception, even among so-called genuises. Ernst Mach made great attainments in mechanics; however, idealistic empiricism made him negate the existence of the atom and oppose the theory of relativity, which led him to the opposite of science. Max Planck originated the quantum theory, but, affected by metaphysical mechanism, he eventually gave up this important concept. In most of his lifetime, Comrade Mao Zedong attached great importance to mastering and applying materialist dialectics, but in his later years he no longer paid attention to guarding against idealism and metaphysics, which resulted in great mistakes in his guiding ideas. Different defects in people's methods of thinking lead to diversified depth and breadth of the limitation of ability. Here, we shall not go into detailed explanations, but deal concisely with the most general experiences and lessons.

A USUAL CONDITION IS: DEFECTS IN THE METHOD OF THINKING OFTEN LEAD TO AN ERRONEOUS TARGET OF STRUGGLE, WITH THE DIRECTION OF PROGRESS LOST. One's efforts will inevitably be in vain if the direction is wrong, and one's intelligence and wisdom will be led astray, spoiled, and wasted.

Such lessons are common in history. In the past, some people were enthusiastic in inventing a "perpetual machine" (which is impossible). One of the reasons was their unscientific way of thinking, which resulted in the choice of a wrong direction. The famous British scientists Newton, Wallace, and Crooks, and the French mathematician Pascal were all affected by idealism and shifted their interest to theological research in their later years; thus, the development of their abilities was gravely inhibited. Newton, the founder of classical mechanics in particular, spent his late years interpreting the "prophecy of St John," and turned himself into a complete captive of religion and theology. Newton exerted great efforts in his theological research. He knew very well the contradictions between the Bible on the explanation of time in creation and the concept of time as revealed in geology, astrology, history, and language. However, he tried in vain to unify the two different "timetables" in an effort to safeguard religious authority. In his study of nearly 4 decades, he touched upon almost all the branches of science at the time, and even adopted the approaches of natural sciences, but failed to arrive at any valuable results because the topic itself was unscientific. It is a pity that a scientist who had rendered meritorious service to the cause of science should have turned into the opposite of science. Such a tragedy concerning Newton's ability was obviously a result of the serious idealism in his method of thinking.

If a man of letters should have defects in his way of thinking, it would hinder correct solution of the questions "what to write" and "how to write." Dobrolyubov pointed out that some writers did not possess a scientific method of thinking and failed to deal correctly with "truthfulness" and to understand the essence of realities. As a result, they chose to write on some subject matters that distort life. For example, some writers wasted all their talents singing in praise of pornographic scenes and all sorts of dissipated immoral behavior. As the direction of their efforts was narrow and inferior, it was inevitable that their talents for literature tended to be vulgar and decadent.

What calls for deep thought is such a scientist as the above-mentioned Planck, who had chosen a correct direction for his work and scored great accomplishments (believing that the radiation of atomic energy is not continuous in the quantum theory he proposed), but who failed to break through the traditional concept of continuous energy radiation because of the serious metaphysical defects in his way of thinking and tried to set the quanta of energy rigidly into the framework of classical physics. The result could only be vain labor. When Einstein spread his theory in 1905 and put forth the supposition of "light quantum," Planck stonewalled it. With the efforts of such scientists as Einstein, Niels Bohr, De Groglie and Schrodinger, quantum mechanics was eventually set up. But Planck had accomplished practically nothing since he gave up the quantization concept. Recalling this experience, Planck admitted that he had spent 15 years and great efforts on the attempt to wed quantum theory to classical physics, which proved to be "vain labor," and "nearly a tragedy." The cause of that "tragedy" lay in his metaphysical method of thinking, which made him think classical physics some absolute truth and an unsurmountable peak.

Examples of deviation resulting from defects in method of thinking can still be found among ourselves today. Some comrades are exploring, as a new world, the concept of "alienation," which Marx had long surpassed and given up; others are treating lightly Marxist philosophy and the laws revealed by dialectical materialism and historical materialism, as if they were not only outmoded but also unscientific from the very beginning. Therefore, they want to start from scratch, in order to build a so-called new philosophical system. If they should go on this way, it would not only produce bad effects on the study of social sciences, but the abilities of those comrades themselves would also be limited.

ANOTHER FREQUENT OCCURRENCE IS: DEFECTS IN THE METHOD OF THINKING WILL LEAD TO THE ADOPTION OF A LOPSIDED SPECIFIC APPROACH. A specific approach is the key to resolving specific contradiction and a stairway for the peak of creation. If the specific approach is tinged with subjectivism, superficiality, and one-sidedness, one may score a trivial success only at great cost, or gain something here but lose something there, or be successful in one aspect but meet failure in another.

The approach affected by Hu Shih's pragmatism, which was adopted by some people in history circles in the past, was stamped markedly with subjectivism. With them, history was severed into numerous separate segments that were under textual research in complete isolation from other historical incidents. Such an approach fenced people's thinking in the narrowest sphere, leading them into a dead end, resulting in their incompetence in mastering the whole situation of history.

A historian who had suffered from such an approach summed up his experiences and lessons, saying: Affected by the erroneous concept of "textual research for textual research's sake," "my ability of making contact with things was turned into shortsightedness." ("Collection of Criticism on Hu Shih's Ideology," Vol 2, p 185)

The formalistic style, which satisfies itself with listing phenomena in ABCDE order and which was criticized by Comrade Mao Zedong in his article "Oppose Stereotyped Party Writing," is characterized by great superficiality. Such an approach categorizing things based on their external values with a host of concepts without internal linkage arranged and organized into an article, speech, or report does not have any real substance and thus fails to explain any question, not to say to solve any problem.

Cases of one-sided specific approach that eventually affected the development of abilities are too numerous to mention individually. For instance, famous Greek scientists scored great accomplishments in geometry by means of deduction, which was held in high esteem with partiality and regarded as the sole approach to knowledge. Thus, the mastery of practical knowledge was neglected, experiment made slight of, and the inductive method depreciated. Eventually, they went into a dead alley. They regarded the concept that the earth was fixed and the center of the universe was a "self-evident" truth in astrology; starting from which, they imagined a set of theories concerning object movement in physics.

Later, Francis Bacon went to the other extreme. He attached importance to observation, experiment, and induction, which brought him great honor in science and philosophy. However, he neglected the role of deduction in scientific research, made slight of mathematical deduction, and paid no attention to supposition, which led him to the mistake of negating Copernicus' doctrine.

The practice of going from one extreme to another in specific approaches is not eliminated even today. In foreign scientific circles, an ideological trend of stressing deduction one-sidedly has been in fashion in recent years, with induction made slight of. This met with the criticism of some scientists. Deduction and induction are originally two specific approaches opposite but supplementary to each other, which is characterized by the law of unity of opposites. Although in some cases the application of deduction is more suitable, in others, induction is. The two methods must be combined without emphasizing one at the expense of another in the whole course of scientific research. Otherwise, it will be unfavorable to invention. This has been proved by many historical experiences. If one lacks dialectics in one's thinking, one will easily favor one and be prejudiced against the other based on one's own narrow experiences and obstinately cling to one side. Such one-sidedness of going to extremes will not help the development of ability in any field.

Again, in literature creation, some people were affected by rationalism and advocated the classistic approach in writing. Boileau's "L'Art Peotique" serves as a typical example. Rationalism stresses the importance of rational knowledge and upholds knowledge of the world by means of rationalism, but neglects perpetual knowledge. One-sidedness is bound to appear in writing with the guidance of rationalism. In fact, if an artistic image is portrayed with the approach of classicism, the image will always possess a fixed character never subject to change. Moreover, because the writer has idealized his own rationalism, we find the image he created lacking vitality and truthfulness. In our modern terms, the image in question is a product of formulism and generalities. But the modernist school has gone to another extreme, advocating the so-called "irrationalism," putting above all else intuition, instinct, and nonconsciousness. The modernist approach of writing does have some merits in its way of expression and artistic skills; however, because its philosophical groundwork is idealistic, its pursuit is "self-expression," and the self is from intuition, such an approach will be impossible to correctly understand and reflect social life. In recent years, some people of the Chinese literature and art circles proposed adopting the way of the modernist school. We may assert that those who should accept and put into practice such an approach in writing will in the end inhibit their own abilities in creative writing.

STILL ANOTHER COMMON OCCURRENCE IS: DEFECTS IN THE METHOD OF THINKING WILL DIRECTLY IMPEDE OR INDIRECTLY AFFECT THE SCIENTIFIC PROCESSING AND CREATIVE

APPLICATION OF KNOWLEDGE THROUGH SPECIFIC APPROACH. Quite a few people in history scored great accomplishments with a correct direction in their efforts and a solid professional background. However, defects of an idealistic and metaphysical nature existed in their way of thinking (which often found expression in subjectivism, superficiality, one-sidedness, and thinking in terms of absolutes in observing problems). Such defects limited their wisdom and intelligence, preventing them from achieving higher attainments in their professional creation. In some cases, mistakes even occurred, which have left some shadows and flaws in the fruits of their labor.

Take for example Linnaeus, the famous naturalist of the 18th century. Linnaeus devoted his whole life to research in biological classification, and scored great achievements in this field. Concerning the knowledge Linnaeus had mastered, he could have seen the evolution of living things. However, he believed in the idealistic doctrine that God created the world and his approach of knowledge processing was not without defects of a metaphysical nature; therefore, Linnaeus arrived at the wrong conclusion that the origin of species would never change.

Cases were not rare in the modern history of the development of physics that the serious defects of some physicists in their way of thinking led to mistakes in knowledge processing and application, which in turn caused a stalemate and even perversion in their ability development. Both Mach and Planck belonged to this category.

The thinking in images of men of letters is likewise knowledge processing and application, which will also be affected and limited by the defects in the method of thinking. In this respect, Zola would serve as a typical example. It is universally acknowledged that Zola was a talented writer, and his ability laid exactly in his inheriting, to a certain extent, the tradition of realism of Balzac, trying his best to reflect social life in his works. To achieve this, Zola attached great attention to accumulating knowledge, mastered rather mature artistic skills, acquired a great ability of expression and a good knowledge of public interest focuses, worked hard on collecting and using popular language, and possessed some means to attract and to move the readers. All this formed the positive factors in his writing ability and brought him great successes in literature. In Paul Larfargue's words, "Zola can be said to be a giant, compared with those dwarfs around him." ("Selected Literary Essays of Paul Larfargue," p 158) However, compared with Balzac, the great master of realism of the 19th century, Zola's ability was far inferior. But how to account for this? This is because Zola was greatly affected by Comte's positive philosophy. The characteristics of positive philosophy are its advertising so-called positive knowledge, limiting knowledge to the realm of perceptual senses, denying the objective laws governing nature and social life, and reducing the role of science to only fact recording. Besides, Taine's philosophy of art and Claude Bernard's theory on heredity also affected Zola. When these things were mixed, the result was the way of thinking based on positive philosophy, which guided his writing, and his approach of writing characteristic of his experimental novels. He stressed the "truthfulness" of art, which should meet the requirements of "experimental science," and that writers should not deal with ideological or psychological phenomena in isolation, but look for their causes and motive forces in environment. However, governed by the above-mentioned way of thinking, his so-called "truthfulness" and "scientific concept" were only a satisfaction of sheer recording of facts and description of superficial phenomena, and the portrayal of characters and their actions based on the concepts of physiology and psychology, which he advocated. Zola's so-called "environment" and "external world" were often not realistic social existence, namely, production relations and class struggle, but family heredity and blood relations, which were exaggerated as the force dominating all else. Thus, the "truthfulness" and "scientific nature" of his novels have been greatly reduced, their social significance in particular.

Referring to Balzac, Engels said: "I believe that he was a far greater master of realism that all Zolas past, present, and future." ("Selected Works of Marx and Engels," Vol 4, p 462) Balzac was great precisely because he was a master of realism, and Zola was inferior to him because of his retreat from realism to naturalism affected by positive philosophy. Although the contradiction between maintaining the theory of naturalism and inheriting the tradition of realism can be discerned, it was naturalism and not realism that had the primary place and dominant role in Zola's works. That greatly narrowed his artistic world, limited his spiritual view, and bounded his capabilities for observation and understanding, thus inhibiting the extensivity and intensivity of his thinking in images of social life. Here lies the basic reason that the artistic value of Zola's works was far inferior to Balzac's. But then, even with writers of the realist school, diversified defects in their way of thinking also exist and limit the abilities of their creative writing. The philosophical groundwork of realism is the materialist reflection theory, which writers of the realist school base their works on, whether they are conscious of it or not. However, because of the different extents and levels in mastering and applying the reflection theory, the extensivity and intensivity of reflecting realities through thinking in images differ. Particularly when there are still idealistic and metaphysical elements in their ideologies, the artistic images in their creative works will definitely be stamped with idealist and metaphysical signs. V. Gogol, L. Tolstoy, and M. Gorky were all great masters of realism with outstanding accomplishments. However, religious sediment could still be found in the depth of their souls, as well as idealistic elements in their way of thinking. Therefore, their realism could not be thorough and constant. We may find in "Dead Souls" how religious ideas kept Goal in bondage. Tolstoy's concept of determination was given marked reflection in "War and Peace." Gorky sang in praise of the working class and advertising socialist revolution in his novel "Mother"; however, he served as a preacher of the "fifth religion" in "A Confession." The religious sediment in one's soul will inevitably rise up in a suitable climate. The idealist elements in one's ideology will certainly form into a submerged reef to ability development. Have we not clearly witnessed such experiences and lessons in these realists?

IT WILL NOT BE DIFFICULT TO UNDERSTAND THE PHENOMENON OF SIMULTANEOUS WISDOM AND MUDDLEHEADEDNESS OF SOME GENIUSES IF WE COME TO SEE THE LIMITATION OF DEFECTS IN THE METHOD OF THINKING TO ABILITY.

In one of his poems, Nekrasov, the Russian poet, wrote:

Oh, Mother Russia,
You are poor, but also rich,
You are strong, but also weak!

The abilities of quite a number of geniuses in history were in contradiction between being poor and rich, strong and weak, at the same time. Such a phenomenon is beyond the explanation of innate genius theory. Only by analyzing the essentials of one's ability and the merits and shortcomings, advantages and defects in one's world outlook and methodology, will it be possible to have a clear understanding of the issue and to make a scientific explanation of it.

Julien de la Mettrie, the French materialist philosopher, made an analysis of Descartes' ability, saying: "On the one hand, he had the rare qualities of being truthful, correct, accurate, and clear as a geometrician; on the other, he committed quite a few mistakes in his doctrine as a philosopher, accepting falseness as truth; often he failed to justify himself, and the inferiority in his judgment can be detected in many cases." (See "Natural History of the Soul") This seems hard to grasp, but is not strange in fact. Descartes' attainments in mathematics and physics were linked with his materialist concept of nature, when his mistakes in philosophy were the direct expression of his idealism.

It was the same case with Hegel. This great representative of German classical philosophy was one of the most learned and talented people of all times. Hegel's greatest contribution was his restoration of dialectics, the highest ideological form. He did his best to find out about the cues that ran through all fields of studies in which he was engaged, and to process the extremely rich knowledge he had mastered by means of dialectics. His ability and his extraordinary wisdom and intelligence lay precisely here. However, in the entity of his method of thinking, dialectics was just one aspect and the other aspect was the idealistic system. He believed that a so-called "absolute idea" had long existed before the emergence of nature and mankind, which was the source of all realistic things, from which all phenomena in the world generated. Thus, the actual connections in the world were entirely reversed. Such a serious defect in Hegel's method of thinking could not but limit, impede, and even sabotage his dialectics and ability. Just as Engels pointed out: "Thus, all dogmatic essences in Hegel's system was announced absolute truth, which was contradictory to his dialectical method which would eliminate all things dogmatic; and the revolutionary aspect was suffocated by the all too luxurious conservative aspect." ("Selected Works of Marx and Engels," Vol 4, p 214) Regarding the two factors, dialectics and the idealistic system, one made him wise, but the other made him stupid; one helped him to be scientific, but the other landed him in superstition; one urged him to seek the truth, but the other made him approve of falseness; one turned him radical and revolutionary, but the other turned him mild and conservative. In short, as a great master of dialectics, he was an extraordinary "genius" of great talent, but as a professor of philosophy, who constructed the idealistic system, he was a stupid and mediocre person.

Referring to Hegel, Lenin used the phrases "wise idealism" and "foolish materialism." At first sight, one may find this contradicts with our analysis above, but actually it does not. Lenin's statement is: "Wise idealism is closer to wise materialism than foolish materialism." ("Collected Works of Lenin," Vol 38, p 305) Here, "wise idealism" refers to Hegel's idealism, which possesses rational nucleus of dialectics. Idealism itself is foolish, but its wisdom lies in its containing dialectics. And "foolish materialism" refers to mechanical and vulgar materialism. Materialism itself is wise, but its foolishness is in its metaphysical nature. Based on Lenin's original idea, "wise idealism" (namely dialectical idealism) is "closer" to "wise materialism" (namely dialectical materialism) than "foolish materialism" (namely metaphysical materialism). However, "wise idealism" will always remain "closer to" dialectical materialism only. Neither of them are scientific methods of thinking, because both have scientific elements and wise aspects, but fail to eradicate foolishness because of their vital defects.

Therefore, in order to eradicate foolishness and develop wisdom, the only way is to earnestly study Marxist philosophy and to continuously overcome the idealistic and metaphysical defects in one's method of thinking, so that materialist dialectics may occupy a dominant place in one's mind.

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LIFE IS WAITING IN EXPECTATION--A TALK, COMMENCING WITH THE NEW BOOK BY YU XINYAN, ON THE COMPILATION OF POPULAR THEORETICAL READINGS

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[Article by Jia Chunfeng [6328 2504 1496]]

[Text] The book "On Ideological and Disciplinary Education" by Yu Xinyan has recently been published by the Beijing Publishing House. It deals with popular political theory. Topics in this book of less than 70,000 characters include: a discussion of laws governing education in ideals; further enriching the subject matter of education in ideals; making propaganda activities fully reflect the spirit of modernization; strengthening party spirit and safeguarding reforms; education in ideals as the core of moral education; the four modernizations requiring us to greatly stress discipline, and so on. These topics do not appear particularly provocative, but the fluent and enlightening writing strongly impresses the reader by virtue of its subtle reflection of life and its theoretical attractiveness.

It is often said that political theoretical publications cannot sell well. However, 300,000 copies of this book have been distributed at one printing. This indicates that this kind of publication can be very popular among the vast numbers of readers if the writers closely integrate their works with real life, follow the laws of ideological work, and succeed in touching the hearts of the young people and the masses with their message.

It is no easy task to write popular theoretical articles or books for the masses. In writing "Dazhong Zhexue" [Popular Philosophy] in the 1930's, Ai Siqi compared the writing of popular articles and technical academic works. He said that popular articles must be specific, light, and integrated with real life. The genuine integration with real life, which is no simple task, must be reflected in content, form, arguments, the posing and resolving of questions, and so on. To achieve this, the writer must understand and master the mood of the masses and must be able to reach the readers' hearts. I believe that it is precisely in these respects that Yu Xinyan's book has initially made gratifying efforts in the right direction.

The writer raises the following questions: How can we persistently and intensively carry out education in ideals, so that it pervades all our work? How can we meet Comrade Deng Xiaoping's demand for effectively training successive generations of educated, disciplined new men with lofty ideals and high moral standards? He holds that comrades working in the field of ideological theory must conscientiously study the subject matter and laws of education in ideals. He says that ideals, which arise from real life, constitute one of our young people's needs. Thus, ideals must be closely integrated with real life, and education in ideals must comply with laws governing people's understanding. The writer therefore particularly stresses that we must find topics that can arouse people's interest and know what the ordinary people talk about in their daily conversations, and what their opinions and needs are. Discussion of ideals in this way will then be realistic; we will base theory on facts instead of voicing empty talk.

We can see that in this book, the writer, whether he is discussing ideals, discipline, party spirit, or the correction of unhealthy tendencies, always strives to avoid starting from abstract concepts and going from one principle to another; rather, he proceeds from real life, finds out the key facts of people's understanding, and then gives theoretical analysis and explanation. Therefore, the reader can sense the aura of real life and discover that theory is embedded in facts. This is a special feature of this book. For example, over some time in the past, a tendency of indiscriminately distributing bonuses and awards in kind prevailed among some units. The writer specifically analyzes this phenomenon and uses the term "keeping up with the Joneses" for the mentality of striving to copy other units or people in distributing money or other awards. What is the essence of "keeping up with the Joneses"? "The essence amounts to eating out of the big rice pot, and resistance to reforms by the old ideology of egalitarianism. People who want to 'keep up with the Joneses' think that they must have what others have, ignorant of and refusing to know others' contributions; they only know how to complain about their lack of anything others have. Everyone, whether he be a worker or factory director, seems unable to think otherwise, because this is a very powerful trend of thought prevailing throughout society. Some units actually resist reform when they indiscriminately distribute money or other awards, though they may flaunt the banner of reform. Many people, out of good intentions rather than malice, want to push production forward, but achieve poor results." "One wants to visit someone else at room 305 of a building, but goes to room 503 and knocks at the wrong door. Things like this frequently occur. We must have a new, deeper understanding of these things before we can get at the roots of these problems and fully solve them." This kind of unemotional analysis is rather appropriate; it can stimulate and straighten out one's thinking. Another example concerns the problem of party or administrative agencies running enterprises and party or administrative cadres working also as enterprise leaders; the writer says: "What is the disadvantage? Does it merely lie in the fact that some people can take the opportunity to pursue private gains? Will things be all right if regulations are so stringent that not even a single cent can be pocketed? I think this will not work. Our economic-system reform aims to develop a socialist planned economy with the invigoration of enterprises as the central link. The enterprises are thus required to be able to compete with one another under the condition of equality, so that the superior ones will win and the inferior ones will be eliminated. An enterprise's gain will vary directly with how well it is run. Only thus can the enterprises be encouraged to make progress and develop their productive forces. Competition, however, must take place under the condition of equality. Inequality will render competition impossible. If our cadres intervene, if the director of an enterprise is a county party committee secretary, how can other enterprises outdo you?" This elaboration is plain, lucid, and readily accepted by people. Of course, we cannot say that the writer's analysis is very rigorous and thorough (this requires great efforts). Judging from these two examples, however, we can highly commend him for not circumventing those issues which people hotly debated at certain times in the past; he brings out those issues, and strives to give convincing reasoning so as to clarify muddled understanding. Working in this way should be highly recommended for theoretical workers, who are among the engineers of the human soul.

One special feature stands out prominently throughout this book, that is, the writer always takes as the keynote of his exposition the building of material civilization and spiritual civilization, the development of social productive forces, and the development of the socialist commodity economy. Thus the basic task of the socialist stage and the goal of the whole nation's endeavor are firmly grasped. In conducting ideological and theoretical propaganda, one must not evade the contradictions in real life, but must take them into account and take as the focus of the problems the urgent task of altering our country's backward and poverty-stricken face. Only thus can one proceed from the specific contradictions personally encountered by the masses, make an impact on people's hearts and souls by means of education in ideals, and encourage people to strive for lofty goals by means of theory. The concern of the masses about housing, commodity prices, and wages is thus described and analyzed in this book.

It should also be pointed out that the style of this book is popular and lucid, like a cordial conversation between friends, and in some places like small talk. Therefore, the writer's reasoning is not abstract, and where he is correcting wrong ideas or clarifying muddled ideas, the readers can still feel a sense of cordiality.

Are the merits mentioned above what make the book attractive? I think so. A writer must impart encouragement to people's hearts, whether his work is education in ideals or propaganda. What should people be encouraged to do? To devote their zeal, initiative, creativity, wisdom, abilities, and intelligence to our reform and socialist modernization.

Theoretical work has always been an important part of our party's work. The theoretical front is charged with a special mission. In particular, in this period, when the old system is being replaced by a new one, and when the practice of reform and the four modernizations is advancing amid pioneering work, socioeconomic changes are causing changes in ideology and ideas, and people's understanding and views begin to greatly diversify. Under these circumstances, theoretical work has become a particularly arduous task. The basic guiding principle of our party's theoretical work in this new period is that theoretical work should serve socialist modernization. Implementing this guiding principle involves many different kinds of work; for example, we must vigorously study the major tasks arising from the practice of reform and the four modernizations, conscientiously explore the laws governing the development of various facets of our socialist modernization, and use the most effective methods to furnish explanations about, and answers to, various problems concerning people's ideology and understanding. In our country, propagating and popularizing Marxist theory among the vast numbers of cadres, the broad masses, and in particular, the young people, is an extremely important routine duty. But how can Marxist theory take root in people's hearts and souls, becoming their own stand, viewpoint, and method in perceiving and solving problems? To make this possible, we must not separate theoretical work from people's present struggle, real life, or work, or from the many problems preoccupying people's minds every day. Therefore, in doing theoretical work, we should continue to pay great attention to social surveys, clearly ascertain the trends of thought existing among the masses, and know what kinds of spiritual nourishment are needed by the people, who are now diligently carrying out reform and construction.

Nearly 10 years have elapsed since the smashing of the "gang of four," and it has been 7 years since the convening of the 3d Plenary Session of the 11th CPC Central Committee. Practice over the past 7 years has convincingly shown that the 3d Plenary Session of the 11th CPC Central Committee was really a great turning point in our country's history; it marked the beginning of a new stage of historical development. Under the current historical conditions, our party has integrated the basic tenets of Marxism with the specific reality of our country's socialist modernization; it has established a series of major guiding principles and policies which are compatible with both our national conditions and the people's aspirations, and which have brought marked success in practice; and it has discovered the path of building socialism with Chinese characteristics. Our cause of socialism is advancing in great strides, while Marxist theory, being enriched and extended in our new practice, is developing tremendously. We are encouraged by the great practice. As theoretical workers, we should attach great importance to studying and propagating the major documents issued by our party since the 3d Plenary Session of the 11th CPC Central Committee; we should attach great importance to conducting a theoretical review and study of our vast amount of practice over the past 10 years, particularly over the past 7 years since the 3d Plenary Session of the 11th CPC Central Committee; and, in the light of people's actual ideology, we should write a series of convincing popular theoretical publications. In the light of the current new practice, we not only need a new version of "Dazhong Zhexue," but also new versions of "Popular Economics," "Popular Management Studies," "Popular Politics," "Popular Society," "Popular Legal Studies," "Popular Ethics," "Popular Aesthetics," and so on.

I think this should be a glorious mission and social duty of our theoretical workers. Life, and also the people, are waiting in expectation. We should endeavor to live up to the demand of the times.

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INTEGRATE THEORETICAL STUDY WITH THE STUDY OF PROFESSIONAL KNOWLEDGE

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 40-42

[Article by Xin Shouliang [6580 1343 5328] and He Fu [0149 1318]]

[Text] Socialist modernization urgently requires that cadres study professional knowledge, including modern science and technology and operational management knowledge. At present, the enthusiasm of cadres for studying specialized knowledge is very high, and we must cherish and encourage this enthusiasm. We should also continue to stress the importance of making cadres more knowledgeable and more professional. We must note that for many years, under the influence of "leftist" guiding ideology, no attention was paid to cadres studying professional knowledge, which even led to cadres lacking scientific and technological knowledge, and also lacking training in modern operational management. The socialist four modernizations and the reforms are very difficult and complicated undertakings which people have not carried out before. If we do not have hundreds of thousands of skilled personnel with professional knowledge and management knowledge, it will be very difficult to achieve the goals of struggle set by the 12th party congress and the grand plan of the four modernizations.

Seen in terms of the experiences of practice, those cadres who have gained quite a bit of scientific and technical knowledge and operational management knowledge are not only able to strengthen their ability to solve actual problems, but also have a fairly scientific style of thought and a spirit of seeking truth by doing things in accordance with objective laws. At the same time, they are better able to study and grasp Marxist theory. Lenin said: "Marxism is the very model of what communism produces from the knowledge of all mankind." ("Selected Works of Lenin," Vol 4, p 347) The richer the cadres' knowledge, the better they will be able to study Marxist theory.

We stress the study of professional knowledge, but in doing so, we cannot overlook Marxist theory. These two aspects of study are interrelated and promote each other. They are not mutually isolated or independent. As far as party and government cadres are concerned, if the two types of study are compared, the study of Marxist theory is more basic and should be stressed more. It is just as Comrade Deng Xiaoping has pointed out: "We now need to build a socialism with Chinese characteristics. Times and tasks differ, and there is much new knowledge we must study. This requires even more that we make efforts to orient ourselves to the new reality and master basic Marxist theory." ("Collection of Documents From the 4th Plenary Session of the 12th CPC Central Committee, the National Conference of Party Delegates, and the 5th Plenary Session of the 12th CPC Central Committee," pp 108-109)

First, Marxism is a science which reveals the laws of development of the natural world, man's society, and thought. It is the crystallization of the most correct and most revolutionary scientific thought of the world's proletariat. Studying Marxist theory can help us to stand high, see far, and strengthen our skills in controlling the overall situation. In general, professional knowledge gives us skills in various scientific and technical areas and in various aspects of work. Marxist theory meanwhile gives us a guiding ideology which is both helpful in carrying out various work and solving various problems, and also of benefit in controlling the overall situation from the macro-level, and giving us a high level of knowledge and skills for mastering the process of the development of things. Its importance is very obvious. The cadres of our party and the government at all levels are the organizers and managers of the socialist cause. In terms of the whole nation, the department or region they administer is part of the whole. However, seen from their departments or regions, they often administer many aspects and lead many units, the situation is complex, and it is in itself a small "whole." If they wish to enliven this small "whole," they should understand what is being done overall, and what the overall goals and progress achieved overall in a certain period are. They should also be good at unifying the cadres and masses on all sides, and suitably coordinate the work of all departments and all units. While taking the overall situation into consideration and grasping the central points, they should also pay attention to other work. They must also be forward-looking and after advancing one step, look ahead to the next step. By carrying out their work in accordance with the objective patterns of the development of things, and in an ordered and rhythmic way, they will be able to achieve the most effective work results. In order to achieve this, we need more than various types of specialized knowledge. Only by being well-versed in Marxist theory, doing things in accordance with materialist dialectics, and drawing support from the study of quite diverse professional knowledge can we achieve this. In other words, if we only have professional knowledge and have no understanding of Marxist theory, then it will be difficult to successfully carry out the onerous tasks of leadership.

Second, Marxism is the theoretical base on which our party formulates principles and policies. Studying Marxist theory has especially great significance for cadres at all levels in understanding and implementing the party's principles and policies. Since the 3d Plenary Session of the 11th CPC Central Committee, the reason we have been able to realize achievements of worldwide acclaim, and the reason that this has been one of the best and most important periods since the founding of the PRC is that our party, through bringing order out of disorder and firmly adhering to the four basic principles, has formulated and implemented a series of important policies. Cadres are the implementors of the party's principles and policies. Only through studying Marxist theory and mastering the basic principles of Marxist philosophy, political economics, and scientific socialism will they be able to correctly and deeply understand how the current party line, principles, and policies are based on the summing up of historical experiences and are stipulated by combining the basic principles of Marxism with the actual situation of our nation. Thereby it will be possible to improve the resolve and consciousness of cadres in implementing the policies. Of course, if they have professional knowledge of various types, the implementation of the various policies will be a little better, but if we overlook the study of theory, and lack a theoretical foundation, then the implementation of policies will be done unconsciously and blindly. As for leading cadres, it is not only required that they be able to firmly implement party policies, but also that they study and grasp the characteristics of their department or region, independently ask questions, formulate specific policies and measures which accord with the local situation and creatively carry out work. Deng Xiaoping has said: "The responsibility of our leading cadres is to link up the central directives and the upper-level directives with the actual situation in their units, to analyze problems, and to resolve problems. They should not be 'receiving and dispatch offices' simply copying and passing things on." ("Selected Works of Deng Xiaoping," p 113) If we want to achieve this, the cadres must study the central directives and understand and master their spiritual essence. At the same time, they must go deep into reality, investigate and research, respect the masses' creative initiative, sum up the experiences of the masses in practice and put forward new ways to resolve new problems. This is the common experience in many regions and units throughout the nation which have achieved outstanding achievements, and is also the only way to continually create new situations in work. But these skills are, basically, indivisible from mastering the Marxist world view and methodology. In general, only by relying on Marxism-Leninism and gearing toward the actual situation will it be possible to truly become conscious and creative formulators and implementors of the party's policies and make one's due contribution to the four modernizations.

Third, Marxism in combining with socialist practice and in continually and critically drawing in new knowledge and new achievements of modern science, has shown its power and achieved new development. Even in researching, mastering and using professional knowledge in the natural sciences, having an intimate knowledge of Marxism is of great significance. Marxist philosophy is a scientific world view and methodology. If a person, in engaging in professional work, uses Marxist philosophy to arm his brain, he will be able to grasp the relationships between, and the development trends of, the various sciences, and carry out deepgoing research in accordance with the objective patterns of things. Engels once said: "No matter what type of attitude natural scientists adopt, they are still governed by philosophy. The question is: Do they wish to be governed by various bad fashionable philosophies or wish to be governed by theoretical thinking established on a basis of being well-versed in the history and achievements of thought." ("Selected Works of Marx and Engels," Vol 3, p 533) Our nation's famous scientist Comrade Qian Xuesen [6929 1331 2773], when talking about scientific research methods, pointed out: "The most basic thing in this is Marxist philosophy because Marxist philosophy is the highest scientific summation of man's understanding of the objective world, and is thus naturally the principle to guide scientific research." (RENMIN RIBAO, 11 April 1985) It can be seen that cadres engaged in natural science research must stand on the peak of science and must also first study theoretical thinking. Those leading cadres who have specialized knowledge in the natural sciences, should bring into play their own special strong points, do well in leadership work, and realize achievements in serving the people. It is even more necessary that they seriously study Marxism so as to raise their own mastery of theory and policymaking.

Finally, what should be pointed out is that studying Marxist theory, and mastering its stand, viewpoints and methods, can not only help us to correctly understand the objective world, but can also help us to correctly understand ourselves and understand life. Marxists have all along believed that the proletariat must transform their own subjective world at the same time as they are transforming the objective world. Studying Marxist theory can help us establish a proletarian world view outlook on life, establish a viewpoint which places the interests of the party and the people in an equally high position, and resist the attacks of all nonproletarian ideologies. In short, it can raise to the highest level our life-long ideological realm of struggling for communism. This is not something which the study of professional knowledge can bring about. For a period, as we have overlooked ideological and political work and theoretical study, some cadres have been lax in terms of political and ideological demands and forgotten the aim of serving the people with all one's heart. This has affected the turn for the better in party style and social atmosphere. A very small number of people have also taken the opportunity of the reforms to use their positions to seek private gain. On seeing profit, they forget what is right and take the road of violating law and discipline and of committing crimes. This is a very thoroughgoing lesson. We must persist in discarding the former "leftist" methods of crude criticism. However, we must not lose the correct method of using Marxism to transform our own nonproletarian ideologies. Facts have proved that this is not beneficial to the growth of cadres and is not beneficial in training and fostering successors to the revolutionary cause. What is required by the four modernizations and the reforms are cadres who are both Red and expert and who have both ability and political integrity. That is, what is required are cadres who can open up new situations in socialist construction, as well as resist the corrosive ideology of decadent bourgeois ideology and maintain the purity of communism. In this sense, our leading cadres at all levels must tightly integrate the study of professional knowledge with the study of Marxist theory.

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WHAT ARE THE GOALS, CHARACTERISTICS, AND MEANS OF SOCIALIST MACROECONOMIC CONTROL?

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 42-44

[Article by Zheng Wen [6774 2429]]

[Text] Generally speaking, the objective of our country's macroeconomic control is to achieve a fundamental balance of society's total demand and total supply and maintain a proper ratio between accumulation and consumption. The central issue is, on one hand, to make adequate arrangements for the daily life of the people according to the state's capability; and on the other hand, to pay close attention to determining a rational scope for fixed capital investments in order to attain equilibrium in the country's financial, credit, material and foreign exchange matters, as well as overall equilibrium between these entities. These are the basic conditions to ensure harmonious proportional relations in the economy, steady economic growth, and smooth progress of institutional reforms.

In order to realize the objective of macroeconomic control, it is necessary to correctly grasp the characteristics of macroeconomic control under socialist conditions. If we compare them, socialist and capitalist macroeconomic controls share common points but also have major distinctions. The basic origin of the distinctions lies in the different systems of ownership. The existence of the public ownership of the means of production (notably the ownership by the whole people) accounts for socialist macroeconomic control possessing characteristics different from those of capitalist macroeconomic control.

First, it is necessary to control rate as well as to raise beneficial results. Under the capitalist system of private ownership, society's accumulation and expanded reproduction are carried out under an anarchic state in production. Capitalist countries are unable to decide or control the extent of accumulation and expanded reproduction; hence, they are likewise unable to truly control the scope of expanded reproduction and rate of economic growth of the entire society. Therefore, the question of correctly handling the relationship between rate and benefits does not exist in capitalist macroeconomic control. It is not so with socialism. Under the public ownership of the means of production, the scope of accumulation and growth rate of enterprises and society are guided by state plans. If the guiding ideology of the plans is incorrect there will be one-sided pursuit of high development rates at the expense of improving economic results. There have been many lessons in this regard in the past, and there are still phenomena of blind pursuit and competition in some localities and units today. Henceforth, our country's macroeconomic control should emphasize the primacy of bettering economic results. The balance to be achieved in macroeconomics should be the balance of rate and beneficial results under mutually complementary conditions.

Second, it is necessary to control the excess distribution of national income. Under capitalism, owing to the existence of basic contradictions in capitalism as well as to the role of the laws of surplus value and of capital accumulation, relative overproduction occurs frequently. Therefore, under many conditions, capitalist macroeconomic control calls for stimulation, and not control, of demand. On the other hand, in macroeconomic control under socialism, it is necessary not only to prevent the inflation of demand due to macroeconomic errors, but it is imperative to control the growth rate of total wages according to the economic benefits of enterprises so as to avoid excess distribution caused by microeconomic flexibility.

Third, it is necessary to conscientiously realize the goals of socialist production. Capitalist production aims for surplus value. Capitalists are the personification of capital. The production goals of enterprises are achieved in a state of anarchy in the entire social production, and not through the help of macroeconomic management. On the other hand, attainment of socialist production objectives would involve the correct handling of relationships between livelihood and construction, between immediate interests and long-term interests, as well as the relations of interests between state, locality, department, enterprise and the laborer. Obviously, in order to realize the goals of socialist production, it is necessary not only to rely on the individual efforts of enterprises, but also on the overall planning of the state's macroeconomic control.

Fourth, it is necessary to regulate both the demand and supply of society. In capitalist society, in order to achieve balance between total demand and total supply, society's total demand is regulated mainly through financial, credit, and legal means, while regulation of supply is limited. In the planned commodity economy of the socialist society, the state's macroeconomic management deals not only with the total demand of society; moreover, through the formulation of medium- and long-term plans, it could rationally arrange for the distribution of areas of production and the adjustment of production structures of departments, carry out intension or extension types of expanded reproduction, and regulate the total supply of society. This is an important manifestation of the superiority of the socialist economic system.

Summing up, the degree and extent of socialist macroeconomic control are far broader than those of capitalist macroeconomic control, and its contents more complex. Under capitalism, there are some economic activities which are not manageable nor do they need be managed in macroeconomics; however, under socialism, they could be managed and should be managed. We should establish and perfect a system of macroeconomic control in accordance with these fundamental characteristics of socialist public ownership system as well as with other important local conditions.

The correct application of macroeconomic regulatory measures is the guarantee for effective macroeconomic control. These measures cover four aspects, namely: planning, economic, legal and administrative. They play a regulatory role from various angles, complementing one another so that an integrated regulatory system is impossible if any of these four is missing.

Planning is the principal part and the core of the macroeconomic regulatory measures. The goals and tasks of macroeconomic control within a definite period of time, as well as the attainment of balanced and fundamental proportional relations are reflected through planning; the application of other macroeconomic regulatory measures should be linked with state planning and should promote its realization. Economic measures could better embody the need to conscientiously apply the law of value; therefore, it is necessary to stress their role in macroeconomic control.

Economic measures cover the areas of commodity price, credit, tax system and foreign exchange. Their application affects regulation of all aspects of economic interests in society and is similarly restricted by many concerns, making it a very complex matter. We should strive to master this job in the course of practical economic management. It is necessary to implement well the institutional reforms involved in each economic regulatory measure, properly handling the relations between each and every measure, applying them in moderate degrees so as to avoid the "counterregulatory" effect of these economic measures.

The role of legal means in macroeconomic control will grow increasingly important in the future. The deepening implementation of the economic institutional reforms and the further development of the national economy would require that more rules governing the economic relations and activities should be defined in legal forms. We should do a good job in economic legislative and judicial work, gradually arriving at a stage where there are laws to be obeyed and which are obeyed and where violations will be investigated and punished sternly.

Administrative measures are also very important. While the direction of reform is to gradually minimize administration, essential administrative means at any period of time are nonetheless indispensable. In particular, within a certain time in the transition from old to new economic structure, it is necessary to strengthen the application of administrative measures in order to ensure the orderly progress of reform and of social economic development. In practice, it is necessary to make administrative measures as scientific as possible, avoid and minimize loopholes in each administrative order and contradiction between them. Under a number of circumstances, administrative measures should be coordinated with economic measures and applied to achieve a better economic result. At the same time, application of administrative measures should pay attention to the continuity of policies and prevent undesirable effects being brought about by changing policies.

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HOW ARE THE VALUES AND PRICES OF INTELLECTUAL PRODUCTS DETERMINED?

Beijing RED FLAG in Chinese No 7, 1 Apr 86 pp 44-46

[Article by Zong Han [1350 1383]]

[Text] With the exception of some achievements in fundamental theoretical research and some intellectual products which are used in the development of restricted areas of endeavor and not available for exchange, most achievements of intellectual labor, including scientific and technological materials, patents, technological consultancy, and technological services, which are embodied in the form of knowledge and theory, creations and inventions which are expressed in material form, copyright and royalties, which are manifested in intellectual property rights, and spiritual and cultural achievements, which find expression in material products, such as film prints, discs, and tapes, are all commodities. Compared with ordinary commodities, the above commodities have their own characteristics. However, the aim of turning out these products is to meet the needs of other people and of society, and not for their own consumption. The needs can be satisfied only through exchange of the products. The raw and semifinished materials needed in the production of such products are not provided gratis but instead are obtained through exchange of equal value. Therefore, since they have all the main characteristics of commodities, they should not be considered noncommodities.

Marxist theory concerning the value of labor is applicable to intellectual products, which are the unity of value and use value. As with ordinary commodities, in the process of turning out intellectual products, their use value is created by concrete labor of different forms (mainly mental labor) and their value is created by abstract labor of all forms. The value of intellectual products is determined by the amount of socially necessary labor which has been used to turn out the products. However, compared with ordinary material products, there are some differences in the process of the formation of the value of intellectual products. First, intellectual products are mostly the fruits of creative labor. Since intellectual products are creations, this means other people have never created or succeeded in creating them before they were produced. Therefore, generally speaking, we can hardly tell how much individual labor has been involved in producing them. Such being the case, the socially necessary labor embodied in intellectual products has become the labor which had to be put into creating intellectual products in the existing social conditions, including the labor put into making repeated experiments and overcoming unavoidable failures in the process of their creation. In other words, the amount of time spent on specific labor needed in producing intellectual products is roughly equal to that of socially necessary labor needed for the same purpose. The specific values of intellectual products are also their own social value. Of course, the labor which should have not been put into producing the products and the labor which is unrelated to their production is unnecessary labor which cannot form the products' value. If several units or intellectual laborers are engaged in the creation of one and the same intellectual product and achieve the same results, the amount of labor they have contributed for that purpose, no matter how much, which has formed value, namely, the amount of labor which is recognized by society in the course of exchange, must be the amount of average socially necessary labor. Second, the value of intellectual products consists of two elements--materialized labor and animate labor, with the latter outweighing the former. In animate labor, the proportion of mental labor is comparatively greater than that of manual labor. The value of intellectual products is directly proportional to the amount of animate labor, in particular, mental labor, embodied in the products, and inversely proportional to materialized labor and manual labor. Their value will increase along with the increased amount of complex labor consumed. Third, intellectual labor is complex labor which enables people to think in the abstract, to create and invent, to raise the experience gained in practice to the level of theory, to reveal the essential aspects of things, and to dominate the process of production with science and technology, rather the laborers' direct skills. In its formation, intellectual labor requires more time and higher educational costs. It is "an embodiment of labor of a higher level in which more value is materialized in the same long period of time." ("Das Kapital," Vol 1, p 223) This is why intellectual labor can create greater value and why the value of intellectual products is higher than that of ordinary products.

As with other material products, the prices of intellectual products, in the final analysis, are determined by their value. The greater the amount of complex labor embodied in the intellectual products, the higher their prices should be. The prices of the products which have higher use value and promise better economic results should be set higher, but if they do not have such qualities, their prices should be set a little lower. This will encourage mental workers and units engaged in the production of intellectual products to turn out more suitable intellectual products to meet the needs of society and to accelerate technological progress. However, since intellectual products are mostly of a creative nature, they have in general their own patent rights, which are in reality the right to monopolize knowledge; therefore, their prices are greatly influenced by the supply-demand relationship and the buyer's ability to buy. Compared with ordinary products, the prices of intellectual products are regulated more substantially by market supply and demand. Therefore, generally speaking, their prices should not be set by indiscriminately applying the "production cost plus profit" principle in an oversimplified way. The prices of intellectual products are set in the following ways: First, most ordinary spiritual products which are mass-produced are the "second-hand" products of intellectual labor. There is not much difference between the production process of these products and that of other material products. The materialized labor and animate labor used in their production can quite easily be calculated and their prices can be set in accordance with the principle of average production cost plus a certain amount of profit. If these products are not produced in large quantities, because they have special use value and a monopolistic character, their prices may be monopoly ones, which are likely to be higher than their value in the short term. Second, since the formation of industrial property rights, which are embodied in the form of knowledge and theory, and major inventions and creations which are expressed in a material form, require large amounts of complex labor, they have greater value. When applied, they will produce higher economic results. The new value they create is more often than not so great that it cannot be compared with the amount of labor contributed for their formation. Such being the case, the prices of intellectual products are generally higher than their value. However, when these creations and inventions are widely applied and advanced technology is used as common technology, their prices will also fall accordingly. As for ordinary creations and inventions, since their formation requires less labor and they produce lower economic results when applied, their prices will, on the whole, fluctuate around their value. Third, the technological consultancy, technological services, and passing on of unique skills in production, which are manifested in the form of knowledge, are invisible intellectual labor. Sometimes, a few remarks and some actions are enough to solve key problems in production, bringing in substantial economic results. It is difficult to calculate their price. Since their price is of a payment-according-to-work character, they can be categorized by grades and according to the amount of working time used in the process of service or according to the extent of economic results created in a production cycle. Fourth, the intellectual products, such as scientific and technological materials, drawings, and technological propositions, which are embodied in a material form, are the achievements of intellectual labor. Their formation requires a larger amount of intellectual labor and a certain amount of materialized labor. Their prices are determined by the quality and quantity of intellectual labor used in their formation and by the quality and quantity of materialized labor and animate labor used in expressing these achievements of labor.

We still lack experience in setting prices for various intellectual products partly because it is difficult to set the prices of such products and partly because it is not long that intellectual products have been considered commodities in China. In recent years, in the execution of the economic structural reform, while the technology market has been steadily expanding and becoming brisker day by day, many localities have adopted numerous pricing methods in this regard. For example, two trading parties negotiate the prices of intellectual products according to the products' use value and their anticipated economic results, and each party either makes a single payment or shares with the other the returns of the use of the products. Prices are set according to production costs plus a certain amount of profit. Prices are set either by the technology market administrative departments, as go-betweens on the basis of value assessment and invention approval and through consultation, or by leading organs. All these pricing methods can be used for reference.

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IT IS PROPOSED THAT MORE ARTICLES CORRECTLY INTRODUCING FOREIGN 'NEW IDEAS' BE PUBLISHED

Beijing RED FLAG in Chinese No 7, 1 Apr 86 p 46

[Article by Li Zhun [2621 0402] of the Literature and Art Bureau of the CPC Central Committee Propaganda Department]

[Text] I learned a lot by reading Comrade Zhu Zhangchao's article "Comments on Sociobiology and Its Theory of 'Selfish Human Nature'" which was published in the fourth issue of RED FLAG this year. Sociobiology is a typical "new thought" in the Western world at present, and it has considerable influence in studies of the social sciences and in the field of literature and art in our country. However, there have been very few articles which can correctly introduce and comment on this school of thought. What we frequently see is merely the practice of quoting its viewpoint to create some claptrap in order to impress the public. In the field of literature and art, we can see some articles quoting the viewpoints of sociobiology to prove the existence of "human nature," and this has even been described as a "new discovery" and a "new high in theory." Therefore, the publication of such introductory and commenting articles as Comrade Zhu Zhangchao's will not only help people correctly understand and approach various typical trends of thought in the West, but can also play a role in "eradicating" the theoretical foundation for various erroneous thoughts in our domestic ideological and cultural fields. It is proposed that RED FLAG publish some high quality articles written by comrades who hold correct viewpoints and have good knowledge, in order to selectively introduce and comment on a series of typical "new branches of learning," "new theories," and "new thoughts" in foreign countries which have obviously influenced our country. If one such article can be published in every 2 or 3 issues, then some 10 articles will be published in a year, and this will play a considerable role.

I feel that there is still something lacking in Comrade Zhu Zhangchao's article. The article did not point out the concrete demonstrations and influence of the theory of sociobiology in the fields of social science, literature, and art in our country. (For example, some people argue that all genes of all living things are "expanding and extending themselves" and they are the "elements that carry on the character of selfishness," so "the primary nature of human beings is selfishness." Some articles say that people's biological and sexual instincts form man's basic and the deepest level of consciousness, and social and political consciousness is merely man's "superficial" consciousness, so man's sexual instinct determines man's attitude in social life. Some people even argue that people's sexual desires, like those of animals, form the motivating force and essence of human love.) Of course, such an explanation need not be very long and detailed, but a general summary is necessary. This will make the article more attractive and more effective.

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A BRIEF DISCUSSION ON 'EMPTINESS' AND 'SOLIDNESS'

Beijing RED FLAG in Chinese No 7, 1 Apr 86 p 47

[Article by Ru Di [5423 5441]]

[Text] The central leading comrades have repeatedly emphasized that we should reduce empty talk and do more solid work. This important instruction hits home on the problems in our work style. Of course, no one will object to it, but people may have different understandings of this issue.

For example, some comrades may think that education in the current situation and political and ideological work among the people are something like "empty talk," and only the settlement of some problems in the people's livelihood can be regarded as "solid work."

Of course, if our education in the situation and our routine ideological work are not linked with the people's real life and cannot help cadres and ordinary people solve the problems in their minds, they would sound quite similar to "empty talk" because they would be completely irrelevant to reality and merely some conceptual games. This type of propaganda is vague and general, so it will not touch people and will not achieve the results of enlightening and inspiring the people. However, when Comrade Qu Xiao and heroes from the Laoshan battlefield use their own lofty spirit and real feelings to tell people of the value and significance of life and to tell people how we should work, fight, study, and live under the banner of the communist ideology, the people will not feel that what they say is "empty talk," instead, the people will have a great interest in listening to what they say so as to be inspired. Therefore, we cannot say generally whether ideological and political work is "empty" or not. This depends on whether it was the right method.

On the other hand, the settlement of actual problems is certainly "solid work." However, I still feel that people's understanding of so-called "solid work" may vary from one person to another. So we also need to make a concrete analysis. From the overall point of view, we are carrying out the great practice of building socialism with Chinese characteristics; in each locality, department, or unit, there are also many concrete issues that need to be solved. It is correct to consider these matters as "solid work" and we should make efforts to do this "solid work" well. However, some people think only things which can bring material benefit to them can be regarded as "solid work," or only making more money, seeking more pleasure, winning a diploma, and getting promotion can be considered "solid work." In order to benefit from this "solid work," they may try by hook or by crook to gather ill-gotten wealth and may even disregard laws and discipline in doing so. They may also agree with the saying that "powers in hand must be used in time" and thus abuse their powers in pursuit of private gains. They are interested in no theories, but are only interested in obtaining "real benefits." This is a deviation in people's minds, and this deviation is caused by some erroneous outlooks on life.

According to the viewpoint of Marx' historical materialism, "people must first eat, drink, wear clothes, and have shelter, before they can engage in political, scientific, art, and religious activities." This viewpoint tells us that matter determines consciousness, but it does not mean that consciousness is an insignificant thing. Truth is people's correct ideas which reflect things in reality, and truth is expressed in the form of theory, which cannot be regarded as "empty talk." As compared with material things, ideological and political work seems a bit "empty," but it in fact includes "solid" content. That is to say, an "empty" thing can be converted into a "solid" thing. This is the process of consciousness developing into matter.

Correct and solid ideological and political work can arouse people's enthusiasm to work to create more social wealth, so it is absolutely indispensable in our socialist cause. On the contrary, a person's soul may be "empty" if he does not realize that the fundamental purpose of all our undertakings is to serve the people wholeheartedly and that communist ideals are the more important guarantee for socialist modernizations, or if he does not realize the great and active functions of correct ideology and theory but merely regards individual material benefit and pleasure as "solid" things.

That is to say, we should not conduct ideological and political work in an irrelevant and unrealistic way, nor should we give up ideological and political work which has solid content and has relations with reality. We should continue to solve actual problems, but should also change the incorrect ideas about "solid work." In short, we should approach all things dialectically as we often say.

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A BEAUTIFUL WORLD IS GREETING US--WATCHING THE TELEPLAY 'THE WORLD REDISCOVERED'

Beijing RED FLAG in Chinese No 7, 1 Apr 86 p 48

[Article by Peng Jiajin [1756 0502 3866]]

[Text] It seemed that director Xu Lei [6079 7191] disappeared after producing his well received movie "Strange Friends." Two years later, however, we surprisingly discover that he has quietly completed another good work, a television serial drama called "The World Rediscovered." In this work, he describes with ample enthusiasm the historical driving force of the people of China for opening up in the new period the way to a bright future, while exposing profoundly the mental scars of the nation remaining from the 10 years of turmoil. It is filled with a strong sense of reality and is rich in poetic flavor.

It is teleplay about the real situation. When the lens of the camera is directed inside the tall walls of a part-work and part-study school, it exposes without reserve the bitter results left over from the 10 years of turmoil. From start to finish, the focus remains unchanged on a group of people with abnormal souls that were brought about by a period of lopsided development. The characters include talented Xie Yue, who harbors a cold and terrible thought of taking revenge; obviously sane Xiang Xiu'er, who plays the fool; Song Xiaoli, who lands in an awkward predicament because he turned things upside down; crude and cruel Guo Xixiang, who paid no attention to civilized acts, law and order....The sufferings born by their souls reflect the scar of the times. It was just as the case of Xie Yue. During the years of turmoil, his father was framed up and cruelly oppressed. Moreover, his mother "turned against" his father, and his stepfather further hit his father when he was down. There were no justice and righteousness in society. Thus, Xie Yue could not but bear the intolerable suffering and planned to realize his primitive instinct of taking revenge at the cost of his life. These characters such as Xie Yue and Song Xiaoli differ in terms of disposition, family background, and experience, but they share a common point: their souls are tainted with rusty dust of the times. This was an enormous shadow cast in those special years. It has made us see the blood dripped from the souls of the people of that generation.

However, to describe vividly this "disastrous" picture is not the aim of the producer. In the final analysis, it is only a "stage" on which the director and producer let characters Xu Wen, Huang Shulin, Yu Qianqian, and so on perform a moving drama.

Old headmaster Xu Wen, chief instructor Huang Shulin, and young female teacher Yu Qianqian are the image of three generations of respectable educational workers. The years of turmoil and harsh realities brought them extremely grave sufferings, but none indulged in individual sorrows. After being framed up, criticized, and sent into exile, old headmaster Xu Wen, like a fighter returning to the front, again enthusiastically engages in the struggle after returning to the school. Gray-haired and with a dedicated heart, he came from the remote past and moves toward the future. In the years of turmoil, Huang Shulin lost his wife, but still held fast to this special position. In order to help students establish faith, he forsakes his feeling of being inferior to others. He even shows the scar in the depth of his soul to the children. Yu Qianqian, though not suffering many torments, also experiences harsh realities. Her boy friend turns a cold shoulder to her and then leaves her because she had chosen the "inglorious" career. But she does not change her decision. Through arduous and complicated work, she becomes more firm and mature. Hating Lin Biao, the "gang of four," and the disgraceful thinking of society, they love more enthusiastically and profoundly the cause of the party and the wounded children. From their raging flames of hatred and love, we can realize the efforts of remolding man's good soul, as well as the heroic bearing of the people of China in standing erect among past agonies.

While showing and analyzing the mentality of the children, the work often reviews things of the past. It frequently mentions things that took place in society outside the "walls" of the school when describing the life of the part-work and part-study school. Though its main focus is on the inside of the "tall walls," it touches on other things of the past as well and on various sectors of the reality. Therefore, it carries a valuable sense of history.

The artistic goal pursued by the director is very clear. He wanted to merge the features of documentary, drama, and poetic works into one. He succeeds in this work. In heavy snowfall, Yu Qianqian walks in a dense forest of white birch. The sound she hears makes her recall a chat she had with her father when she was young...To "begin" the drama by using this set of counterpoints of sound and picture indeed brings us to a poetic world. However, we must not forget that the real poetic flavor is in the choices made by Xu Wen, Huang Shulin, Yu Qianqian, and so on amid their gigantic emotional whirlpools of love and hatred, which last throughout the drama. The real flavor is also in the shining reflection of the indelible souls of Xie Yue, Xiang Xiu'er, Song Xiaoli, and so on. To turn hatred into love and ugliness into beauty is the basic melody of the poetic world in this work. Also, in the last episode, the scene in which Yu Qianqian and Huang Shulin hold a heart-to-heart talk and walk together in the snow interchanges with that in which the students hold a party to celebrate that they can start a new life again. This episode is very rich in poetic flavor. From the profound sentiments that "Qianqian had accomplished a complete world," we can see that a beautiful world is greeting us.

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ENLIGHTENMENT GAINED FROM 'INTRODUCTION TO THE STUDY ON THE CAPABILITY OF SCIENCE'

Beijing RED FLAG in Chinese No 7, 1 Apr 86 inside back cover

[Book review by Liu Ji [0491 0679] and Shi Yi [4258 0168]]

[Text] What is science? How should we study science? Must the study of science be guided by Marxism? These questions have been hotly debated and enthusiastically discussed over the past several years by the scientific circles in our country. Comrade Zhao Hongzhou's book, "Introduction to the Study on the Capability of Science," furnishes answers to these questions and has drawn favorable comments from famous scientists, like Qian Xuesen and Qian Sanqiang, as well as other readers.

In systematically analyzing the social function of modern macroscience and the inherent motive force of scientific development, the writer consciously applies the Marxist stand, viewpoints, and methods, and makes bold and useful attempts in advancing the study of certain basic theoretical questions in Marxist philosophy and political economics.

Everyone knows that the role of science in the productive force structure has been a major theoretical subject in the history of development of Marxism. Studies on this subject have not been sufficiently thorough since Marx put forth the well-known argument that science is a "general social productive force." Meanwhile, through practice, the enormously powerful social functions of modern science are increasingly more thoroughly understood. Modern science has not only transformed the face of society over an entire historical period, but has also created an enormous potential for the enrichment and development of Marxism. The writer's resourcefulness is precisely reflected in grasping this potential. In accordance with the Marxist viewpoint: science is a "general social productive force," and science "has become a direct productive force," he carefully studies the laws governing modern science on both the macro-scale and the micro-scale; he makes a historical study of the interrelationship between science and technology on one side and social production on the other, as well as the trends of change in this interrelationship. In particular, on the basis of studying the relative independence of science, he puts forth the brand-new scientific concept of "the scientific capability of society."

The writer holds that scientific progress and advance is promoted by the inherent motive force of science in addition to social production as the "principal motive force" or "basic motive force." The scientific capability of society, as an inherent motive force behind scientific development, incorporates five major factors: the group creative ability of the contingent of scientists, the quality of experimental and technological equipment, the efficiency of the books-and-information system, the optimal degree of science-labor combination, and the natural scientific and educational standards. The secret of transformation of science into a direct productive force lies in this brand-new concept of social capability. Thus, we can break down Marx' concept of "general social productive force" into three interlocking forms of existence: the scientific capability, technological capability, and productive capability of society. Thus, like transforming a higher-degree differential equation into a system of first-degree homogeneous equations, the writer points out a key step in discovering complex Marxist productive-force equations.

It should be particularly mentioned that this book relatively satisfactorily achieves a symbiotic integration of Western scholars' "macroscience" theory with Marx' "scientific experimentation" theory. It tells us that what is called scientific experimentation in the modern sense not only embodies scientists' practical activities, but also embodies some widespread social activity, which is the so-called 20th-century macroscience industry. This industry is the "special mode of production" put forth by Marx over 100 years ago. It comprises special productive forces and special production relations, that is, it is a unity of opposites comprising society's scientific capability and production relations in the scientific realm. The new viewpoint of scientific experimentation industry provides a new theoretical basis which can rather successfully explain many long-standing, highly controversial problems (such as the phenomenon of transfer in modern science, the optimal relation, in scientific planning, between basic research, application research, and developmental manufacturing).

Of course, this book could have been improved by making some chapters (for example, the first six chapters) more concise, by giving more thorough expositions in Chapters 12 to 14, and by a fuller discussion of questions like the best age in scientific creation. It is hoped that more comrades can study this discipline so that scientific theory can fully play its role in the four modernizations.

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No 8, 16 APRIL 1986

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GIVE PLAY TO THE CREATIVE SPIRIT

Beijing RED FLAG in Chinese No 8, 16 Apr 86 p 2

["Forum"]

[Text] If we want to open up a new prospect in our unit or in our work, we must not pin our hopes on the overall management of the higher authorities or certain leaders. Marxism acknowledges the role of individuals, but in the cause led by the party, we must mainly rely on the party organization, on the collective, on the correct policies and principles, and on mobilizing the initiative and creativity of the cadres and masses. Lenin said that socialism with vigor and creativity is created by the masses of people. This is a brilliant idea of historical materialism. Compared with the 1950's, the current situation and tasks are much more complicated. The past method that all matters are subject to the overall management of the higher authorities is already inapplicable. Over the past few years since the 3d Plenary Session of the 11th CPC Central Committee, the work method of the CPC Central Committee has greatly changed. Great attention has been paid to developing a democratic style of work and respecting the creative initiative of the broad masses of cadres and people. The purpose of our reform is exactly to give full play to the initiative, enthusiasm, and creativity of the millions upon millions of masses. Under the old economic system, overall management from above was emphasized. It was believed in this management that the more rigid the better. Practice has proved that this is not correct. Without the initiative and creativity of the broad masses of cadres and people, we cannot build socialism successfully.

Over the past few years, some young cadres have been promoted to leading posts at various levels. An important requirement for the new leading bodies is that they should have initiative and creativity. If the leading bodies lack lofty aspirations and the spirit of dedication and creative initiative, they will surely be unable to give full play to the initiative and creativity of the cadres and masses in their areas and units. In order to open up a new prospect, the new leading bodies are also required to pay attention to strengthening the unity in their units while giving play to the initiative and creativity of the masses. Young comrades must respect the old, and old comrades must help the young. In matters concerning people and things, we must adhere to the law of one divides into two and prevent one-sided views. Giving play to initiative and creativity means exploration and blazing new trails. While blazing new trails, we may possibly deviate from old regulations, experience, and habits and may possibly commit mistakes and run risks. We must not negate the achievements of reform or become too cautious merely because we have said or done something wrong due to inexperience. Only when we adopt a realistic attitude toward matters concerning people and things and analyze them in an appropriate way can we unite with our comrades and further carry out the reform. In order to give play to the initiative and creativity of the masses, it is also necessary to oppose liberalism. A small number of people like to spread hearsay and gossip about others behind their backs. This is an expression of an unhealthy party style. Spreading hearsay and gossip about others behind their backs is not good for anybody, including the gossipers themselves. It can harm the party's cause, undermine unity, sap morale, and weaken combat strength. It is necessary to encourage the style of speaking frankly and sincerely and placing problems and views on the table. No one should say anything harmful to our unity. Many comrades cherish the memory of Comrade Ren Bishi, because he was impartial and upright. He always set a good example and was good at uniting with his comrades. He was also good at handling intraparty relations. Our comrades in the new leading bodies should earnestly learn from the revolutionaries of the older generation.

In order to give play to the initiative and creativity of the masses, it is necessary to encourage the style of going deep into reality and pooling the wisdom of the masses and, on this basis, dare to think, to act, and to assume responsibility independently. It is necessary to encourage the style of proceeding from reality and working in a creative manner under the guidance of the policies and principles of the central authorities and the principle of serving the overall situation of national construction. Of course, we will certainly encounter all kinds of difficulties. However, if there will be no difficulties, what is the use of us leading cadres? If we have really considered something very carefully and deem it a correct thing to do, we must do it resolutely and conscientiously. When doing something, it is difficult for everybody to feel satisfied and pleased or hold exactly the same view. It will be good if most people feel satisfied and pleased with our work. If we are afraid of offending a small number of people and do not carry out the work supported by the great majority, we are actually offending the latter.

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POOL THE WISDOM AND EFFORTS OF EVERYONE TO STRUGGLE FOR THE FULFILLMENT OF THE SEVENTH 5-YEAR PLAN

Beijing RED FLAG in Chinese No 8, 16 Apr 86 pp 3-9

[Speech by Comrade Hu Qili on 23 March 1986 at a meeting of party members attending the Fourth Session of the Sixth NPC and CPPCC National Committee]

[Text] I. On the Situation

A correct analysis and understanding of the situation serves as our guideline in laying down tasks, making policy decisions, and formulating principles and policies, and provides a basis for achieving unity in thinking, will, and action throughout the party. The principles and policies of the CPC Central Committee are formulated in light of the overall situation and its requirements. Only by gaining a comprehensive and correct understanding of the situation is it possible to profoundly understand the basis on which the CPC Central Committee formulates various principles and policies, and thus to raise our consciousness in implementing them in our action.

At present, the political and economic situation in our country is excellent.

We have taken an important step forward in our reform. The reform is being launched full swing from the rural areas to the cities and from the economic to the scientific and technological, educational, military, and political fields. It is developing soundly and steadily.

We have fulfilled the Sixth 5-Year Plan in an all-round way. During the Sixth 5-Year Plan period, the gross value of China's industrial and agricultural production increased by an average of 11 percent annually and the GNP by 10 percent. What does such an economic growth mean? Compared with our past performances, the rate was more or less equal to that in the First 5-Year Plan period but higher than those in the other 5-year plan periods. Compared with other countries the rate was also higher than that of the major countries in the modern world, for the same period.

As an economically underdeveloped country, we should have the necessary growth rate to either increase our national strength or to improve the people's living standards. It should neither be too low nor too high. Our growth rate in the Sixth 5-Year Plan period was relatively rapid. With the exception of superhigh industrial growth in the first half of last year, which indeed contained some abnormal factors, the economic situation in the Sixth 5-Year Plan period as a whole was good and constituted the principal aspect. Because remarkable successes have been achieved in reform, the economy as a whole has been invigorated, and the initiative in various quarters has been aroused.

With the development of the economy, the people's living standards in urban and rural areas have markedly improved. This is evident to all and all comrades also know from their own experience. In the Sixth 5-Year Plan period, after allowing for price increases, the peasants' per capita net income increased by an average of 13.7 percent annually and the per capita income of the family members of workers and staff members in cities and towns by 6.9 percent, a record pace since the founding of the PRC.

While the economy develops in a steady, stable, and balanced way, our country is more stable and united politically. Party work style and the standards of social conduct are continuously improving and negative phenomena are being overcome. Since the National Conference of Party Delegates last year, the CPC Central Committee has been determined to rectify party work style and, as a start, to deal with party work style in party, government, and Army organizations at the central level. The 8,000-people meeting of the central organs explicitly called on the central organs to act as a good example to the whole country and to play an exemplary role for the whole party. Later, the CPC Central Committee and the State Council made a series of decisions and stipulations, such as selecting and using cadres in strict accordance with party principles; resolutely curbing tours at public expense; curbing the practice of indiscriminately sending delegations, teams, and personnel abroad; streamlining the procedures for leading cadres at various levels to perform their duties outside their units or to receive guests; and further banning party and government organs, as well as party and government cadres, from engaging in trade or running enterprises. At the same time, they speedily investigated and dealt with a number of major cases, some of which were publicized to the whole nation. The Secretariat of the CPC Central Committee also listened directly to work reports on the television, film, literature, education, social sciences, and other fields and established guiding ideas for the ideological and cultural fronts. It now seems that such methods of work have yielded good results and exerted great influence. All party members and all the people are pleased with this. The whole nation, from the highest levels to the grass roots, has enhanced its revolutionary vigor and strenghtened its confidence in rectifying party work style and the standards of social conduct and in doing a good job of the various reforms.

Practice in the past few years shows that the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee are correct; that tremendous achievements attracting international attention have been scored in reform of the economic structure; and that we have found the correct path for building socialism with Chinese characteristics. This is our conclusion. Naturally, there are still shortcomings in our work, there will still be difficulties in the course of our advance, and there are still many unsatisfactory things. Moreover, there are quite a few serious problems in party work style and standards of social conduct, unstable factors still exist in economic life, and the reforms should be further coordinated and improved. New problems are emerging one after another before the old ones are solved. However, even if there are numerous difficulties, we should adhere unswervingly to the party's Marxist line and win victories with one heart and one mind.

II. On the Reform

The present excellent situation is the outcome of the party leading the people of all nationalities throughout the country in persisting in reform and adhering to the principle of opening up to the outside world and invigorating the economy. In order to consolidate and develop the present excellent situation, it is necessary to continuously adhere to the principle of opening up to the outside world and invigorating the economy and to carry the reform forward unswervingly.

During the Seventh 5-Year Plan period, we should make further effort: To create fine economic and social environments for the reform of the economic structure; to maintain a stable and steady economic growth in order to provide the strength needed for the continued socioeconomic development in the 1990's; to continuously improve the living standards of the people in the urban and rural areas on the basis of increased production and better economic results; and basically to strive to lay the foundations for a new type of socialist economic structure with Chinese characteristics within 5 years, or a little longer. The key to achieving the above-mentioned requirements lies in carrying out the reform properly.

There is something quite unusual when talking about reform. Nobody is opposed to it and all people put up their hands to show their approval. However, when some practical measures are taken, some people feel uneasy and find it difficult to adapt themselves to the measures taken. If something goes wrong, they make a fuss about it and even take a skeptical or vacillating attitude toward the reform. Although the specific reform measures taken over the past few years still leave something to be desired and lack coordination, by and large, the reform has stimulated the development of production. The income of the urban and rural population has increased and their living standards have improved. But some people are still dissatisfied. In the words of the masses, these people "take up the bowl to eat the meat and, after laying down their chopsticks, utter abusive language." As soon as something is not to their liking, they make cynical remarks or grumble. This presents people with a contradictory phenomenon: On the one hand, everyone acknowledges that the situation is fine; on the other hand, they have a lot of complaints. Some people have an "indefinable feeling of anger." There are many reasons for this, including problems in party work style. There are indeed some people among our cadres, particularly the leading cadres, who abuse their positions and powers, indulge in corruption and bribe-taking, and engage in unhealthy practices, thus arousing the indignation of the masses. But I think there is also the problem of correctly understanding the characteristics of, and the law governing, the reform.

In the past our party fought in various wars for over 20 years. Since the founding of the PRC, we have engaged in peaceful construction for over 30 years. It is only in the past 6 or 7 years that we have genuinely conducted reforms and implemented the policies of opening up to the outside world and invigorating the economy. In conducting reform of the economic structure, we have neither a ready-made pattern to go by nor mature experience to copy. We can only conduct difficult experiments, which have never been conducted before, under the guidance of basic Marxist principles. Since we have neither direct nor indirect experience, it is impossible for us to put forward a complete plan. We can only deepen our understanding and sum up our experiences while practicing. Turning from a closed and semiclosed pattern to an unprecedented pattern opening up to the outside world and other parts of the country, and from a long-standing natural economy to a planned commodity economy, and replacing an outdated structure with a new one, represents an extensive and profound transformation. It is inevitable that it will produce repercussions in political and economic life and in social life as a whole. This transformation will also produce an unprecedentedly profound effect on people's concepts, spiritual conditions, way of life, and modes of thinking. For this reason, people have divergent views or understandings and they may even carry on endless discussions. Generally speaking, this is a historical phenomenon that can hardly be avoided.

As the current reform is an enormous and very arduous social system engineering project to be carried out in China, a country with 1 billion population and a serious imbalance in economic and cultural development, it cannot possibly be developed simultaneously in all fields and at all levels. Instead, it should only be carried out from one level to another, step by step, in accordance with different circumstances and conditions. Failure to maintain harmony, to keep pace, and to ensure that a whole range of supporting measures are taken, can hardly be avoided for a certain period. Reform is also a gradual process which cannot be carried out straightforwardly, still less be accomplished in one move. In the course of reform, we must also try our best to reduce unstable factors, avoid mistakes, and minimize losses. Thus it can be seen that the reform will be even more difficult. This leads to a complicated situation in which both the old and new structures coexist for a period. We will be facing still more problems when the new structure is replacing the old one, particularly at the stage when neither of them dominates the situation. As far as reform of the economic structure with the urban economy as the focus is concerned, the old structure played the leading role during the year before last. And, as the influence of the guiding plan has been expanded since the fourth quarter of the year before last, the new structure has been playing a greater and greater role in economic life as time goes by, but it still cannot completely replace the old one once and for all. So we are facing contradictions. Problems usually arise while the new structure is working, as it remains incomplete and immature. Such being the case, we are forced to bring the situation under control by resorting to the old structure. Inevitably this will intensify the role of the latter. Now it is clear that this stalemate is extremely disadvantageous, is the origin of many issues and has given rise to numerous ideological problems among the masses. Anyway, we cannot possibly skip over this process. In the course of replacing the old structure with the new one, our leadership, system, and legislature may fail to keep up with the situation for a while. As the old structure has already lost its control over certain fields, there will inevitably be temporary "vacuums" and "loopholes" in the administrative setup. So, some lawless elements may make use of these loopholes to engage in speculation and profiteering, to practice corruption, and to smuggle and sell smuggled goods. This situation characterized by numerous contradictions has caused the "throes" of reform. There are two ways to get rid of these "throes." The first is to restore the old structure; and the second is to uphold the reform and strive to replace the old structure with the new one as quickly as possible so that the latter will very soon play a leading role. The first way is very simple and we are familiar with it--we have to do nothing but to issue coupons and certificates, practice the system of unified procurement and marketing, and keep everything under rigid control. The meaning of such a choice is obvious to everybody. Our practice during the past several decades has proved that this is no way out. Therefore, the only choice for us is to discover a solution by further carrying on the reform in depth and by striving to create conditions for shortening the process of replacing the old structure with the new one. It is estimated that it will probably take 10 years or even longer to fully shift to the new structure. But the stalemate in which neither of the structures dominates the situation would not last too long. We must try our best to make bigger strides in the reform in the next 2 years, lay down the foundations of a new socialist economic structure with Chinese characteristics during the Seventh 5-Year Plan, and thus let the new structure play the leading role.

To achieve this target, we must take the initiative in making preparations this year. Last year we already took a big stride forward. This year, we want relatively little change. Our main tasks for the moment are to "consolidate, digest, replenish, and improve," to carry out investigations and studies, sum up experience, retain advantages and get rid of disadvantages; and take the initiative in preparing conditions for making bigger strides in reform during the next 2 years. We must make economic and theoretical preparations, and also make ideological and psychological preparations. With regard to financial administration, this year we must continue to keep the scale of capital construction under strict control and reasonably readjust the investment structure; curb the increase in consumption funds; promote exports and strive to earn more foreign exchange; and take appropriate measures to ensure that processing industries will not grow too rapidly, so as to help maintain the harmonious development of the energy industry, the raw material industry, and also communications and transportation. In brief, we must provide a relatively relaxed economic environment. Our theoreticians should carry forward the spirit of bravely seeking the truth and blazing new trails; thoroughly study the intrinsic laws of the operation of the socialist commodity economy; and try their best to make a new theoretical summation of the reform which will, in turn, serve as guidance for further practice. We must also be ideologically and mentally well prepared. Apart from objective material conditions, the masses' psychological ability to bear the pressure is an essential factor in determining whether a specific reform will be successful. If the masses are ready to bear the mental pressure, the reform will be carried out smoothly; otherwise there will be great difficulties. The reform will inevitably involve the readjustment of the power and interests of all social strata and will affect the various relations of interests. The reform will eventually invigorate China and bring the Chinese people "material benefits." But it takes time to fulfill the goal. We cannot expect that every step of the reform will instantly bring every member of society real interests. On the contrary, sometimes, some partial and personal interests will possibly have to give way to the interests of the whole, and some short-term interests will have to give way to the long-term ones of the whole. We must guide the masses in: Taking a correct stand; using correct methods to analyze and understand the practice of reform; correctly handling the relations between personal and national interests, between short-term and long-term interests, and between partial interests and the interests of the whole; fully recognizing the reform as a gradual and arduous process; and in adopting a correct attitude toward all mistakes and setbacks in the reform. Practice has shown that the masses can more and more readily bear the mental pressure arising from the reform, provided that some material conditions are guaranteed in due course. In order to carry out the reform smoothly, we must do a meticulous job and be patient in persuading the masses, actively guide them in unremittingly enhancing their ability to bear the mental pressure, help them to gradually incline to a mentality favorable to the reform and to understanding the reform, and encourage them to support it and to plunge themselves into the cause.

General guidelines for the reform of the economic structure during the Seventh 5-Year Plan are to invigorate enterprises, further develop the socialist commodity market, gradually perfect various economic and legal means, adopt some necessary administrative measures as auxiliary means, strengthen indirect control, reduce direct control, and exercise control over and readjust economic operations.

If we can secure a better economic environment, a better sociopolitical environment, and a better sociopsychological environment through this year's efforts, we are bound to make bigger strides in the reform during the next 2 years.

III. On Ideological and Political Work

The Seventh 5-Year Plan is an ambitious but realistic and feasible plan. To fulfill this plan, we must exert ourselves to the utmost, do a good job in many fields, and create favorable conditions in various aspects. Above all, the key lies in our efforts to give full play to the initiative and creativity of the hundreds of millions of the masses, and in a clear understanding of the goal on the part of the broad masses which will inspire them to struggle along with us. Our duties are to mobilize and organize all the Chinese people, bring the vast reservoir of socialist initiative and revolutionary enthusiasm among the masses into play, and seek unity of thinking, will, and action among all the Chinese people on the basis of the party's line and the goal of building socialism with Chinese characteristics.

In order to fulfill all these duties, we rely on effective ideological and political work. We must adhere to the four basic principles and strengthen ideological and political work. It is also necessary to introduce reform in ideological and political work.

After last year's National Conference of Party Delegates, we launched an education drive on the situation and policies throughout the country. The drive has proved to be a great success and has provided us with new successful experience regarding ideological and political work in the new period. The education drives on the situation and policies launched in different places had different features, but they did present some common experience:

--The principal leading cadres at all levels have gone deep among the masses at grass-roots units to have face-to-face "dialogues" with them, sincerely solicit opinions from them, answer their queries on a selective basis, publicize and explain policies, discuss issues, and exchange views with them on an equal footing.

--We have adhered to the principle of persuasion and education and have launched no political movement. We have not intensified contradictions by criticizing people from the higher plane of principle and two-line struggle. Nor have we forsaken our principles, evaded acute contradictions, or pandered to any erroneous views among the masses. Instead we have, frankly and faithfully, told the masses about the overall situation, presented the facts and reasoned things out. Since we in our party seek no selfish interests but only the interests of the people, we can dare to tell the masses the facts. We have publicly admitted that bureaucracy and corruption really exist in our work and in our cadres' ranks. But we have also declared with perfect assurance: Our party and government, on the whole, are honest and are serving the people, and our cause promises high hopes of success. By adroitly guiding action according to circumstances and launching democratic discussions, we have distinguished right from wrong and enhanced our understanding. A small number of people who have differences of opinion with us are allowed to have reservations and we hope future practice will persuade them otherwise.

--We should treat the opinions and demands of the masses correctly. We should listen to the various kinds of opinions aired by them. If conditions exist, we should deal expeditiously with those correct opinions and satisfy rational demands without any delay. If it is temporarily difficult for us to satisfy the rational demands of the masses because conditions do not exist, we should patiently and clearly explain the matter to them. With regard to erroneous opinions and irrational demands, we should not yield to them at the expense of principle. The method of "satisfying the demand partly if only small trouble is made, satisfying the demand completely if big trouble is made, and doing nothing at all if no trouble is made" should not be employed on any account. We should criticize and educate the people concerned as the case may be.

--We should promptly discover and make use of advanced typical examples with the characteristics of our times, which have come to the fore among the masses. We should let those who have ideals give publicity to ideals, let those who observe discipline give publicity to discipline, and let those who

who have morals give publicity to morals. We should let them advise people by using their own experiences as examples. This will make our ideological and political work most infectious and convincing.

The above-mentioned experiences can be summed up as follows: We should expand socialist democracy to political and social life so that democracy becomes the method of the masses for their own self-education.

We should establish equal relations among people on the one hand, and promote correct relations between individuals and society on the other, in accordance with the principles of socialist democracy. Leaders should vigorously overcome bureaucracy.

They should also respect public opinion, listen to criticism and carry forward democracy. All these experiences should be used in our ideological and political work in a more extensive way.

Ideological and political work during the new period should closely center on the four modernizations program, and be subordinate to and serve the general tasks and objectives of the party. It should be used to unite and educate the masses so that they strive to reinvigorate the Chinese nation with one heart and one mind. To this end, we should overcome unhealthy trends, get rid of corrupt phenomena, resist the corrosion of decadent feudal and capitalist ideology, and create a good political and social environment to ensure the fulfillment of the Seventh 5-Year Plan, and the smooth progress of reform.

The policy of opening up to the outside world and carrying out reform, which we have implemented in recent years, has provided more vigor and vitality for our ideological and political work. It has also put new tasks and questions before us. With enlivening the economy and opening up to the outside world, we will inevitably face certain negative things and unhealthy factors. While vigorously developing the commodity economy, we should pay attention to overcoming and correcting the attitude which "regards money as everything." With regard to our distribution system, we should further overcome egalitarianism characterized by eating from the same big pot, adhere to the principle of distribution according to work, and allow some sections of the people to get rich first. (Of course, they should get rich through hard work.) However, we should also guide the people to prevent and overcome the narrow view of being preoccupied with one's personal gains and losses, and the hired hand mentality of "working according to the amount of money paid" and "labor according to remuneration." We should further expand the decisionmaking power of enterprises so that they become the producers and operators of socialist commodities, assume sole responsibility for their profits or losses, and independently carry out their business management. However, we should also guide enterprises so that they correctly handle the interests between the state, enterprise, and workers; consciously assign the interests of the state a most important position; and prevent and overcome the tendencies of departmental selfishness and of one-sidedly stressing the interests of enterprises and workers at the expense of the overall interests of the state. We should further implement the policy of opening up to the outside world, and actively import foreign capital, advanced science and technology management experience. However, we should also guard against the corrosion of bourgeois ideology and the bourgeois way of life, preventing these things from influencing and harming our people, the younger generation in particular. We should attain the objective of "discarding corrupt things without opposing things foreign."

When overcoming unhealthy tendencies, we should pay attention to demarcation lines in the policies concerned. We should work out rules and regulations. It is also one of the objectives of reform to gradually enact and perfect economic laws and regulations so that people will have something to go by. Without a clear demarcation line in the policies, we are liable to go about things according to "spirit" [jing shen 4737 4377]. Sometimes, we grasp our work firmly, and sometimes we relax our efforts. When the restrictions are relaxed, we dare to do anything. When the restrictions are tightened, we do not dare do things which should be done. This situation should be changed.

In a word, we should adhere to the policy of reform, opening up to the outside world, and enlivening the domestic economy.

In the meantime, we should do well in improving the mental outlook of the people throughout the country. This is a new question encountered by our ideological and political work under the new historical conditions. It is obvious that our present ideological and political work has not yet conformed with the new situation and new tasks. To raise our ideological and political work to a new level, an urgent task facing is us that we should exert efforts to enhance the political and vocational quality of our cadre contingent, and cadres working on the propaganda, ideological, and political fronts in particular.

During the revolutionary wars period, the whole party had to focus attention on military affairs and to study military knowledge. At present, in the period of economic construction under the new situation of opening up and enlivening the economy, we will meet with many new things and new problems which we have not encountered before and with which we are not familiar. We will have no experience in dealing with these new problems and new things. Our ideological and political work in the new period should serve the purpose of developing social productive forces and building socialism with Chinese characteristics, and should meet the requirements of the development of the socialist commodity economy. How can we shoulder this important historical mission if we do not study economic structural reforms, do not have a knowledge of the commodity economy and the law of value, do not know how to use economic levels to manage the economy, and do not understand the basic knowledge and laws of economic construction? If we still look at and comment on the reforms by sticking to the traditional ideas of feudal society, the mentality of a small-scale peasant economy, and the concept of absolute egalitarianism, how could we fail to go against the spirit of the reforms? The party's line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee and the documents issued by the party central leadership since then are products of the combination of basic Marxist principles with our country's modernization practice, and they are effective ideological weapons for guiding us to carry on the modernization process. If our comrades working on the ideological front have no interest in studying these things and do not have a thorough knowledge of the Marxist principles existing in the realities, how can they achieve high efficiency in their political work? Therefore, in order to improve the quality of our cadres, we should urge them to study. They should study basic Marxist principles, study Marxist theory which is combined with China's practice, study modern scientific and technological knowledge, study economic and business management knowledge, and study history and law. If there are conditions, cadres should be sent to study in some special schools. Of course, only a small part of the cadres will have the chance to study in school, and most of them will study through their practical work. As a person learns to swim by swimming, our cadres will know how to conduct construction in the course of carrying out construction.

This year is the 10th year after the downfall of the "gang of four" and the end of the "Cultural Revolution." The past 10 years marked a major turning point which has ushered in a new period in the history of our party and our People's Republic. In the past 10 years, the party had led the people of all nationalities to carry out creative practice and make brilliant achievements, and a new chapter has been added to the annals of our nation. At the upcoming NPC session, Comrade Zhao Ziyang will give a report on the draft of the Seventh 5-Year Plan, which was 3 years in the making. In the course of drafting the Seventh 5-Year Plan, members of the Standing Committee of the party Central Political Bureau held a number of discussion meetings with experts and responsible comrades of all relevant departments, and gathered many important opinions from them.

In order to draft the plan, the party central leadership and the State Council held six discussion meetings attended by responsible comrades from all provinces, regions, and municipalities, as well as from various departments. We also studied the proposals by some foreign experts and scholars. We also studied the proposals by some foreign experts and scholars. Finally, the Political Bureau and the Central Secretariat repeatedly deliberated on and discussed the draft of the 5-year plan before its submission to the NPC session. This is an extremely important historical document. We should organize comrades in the whole party, all cadres, and the masses to seriously study the spirit of this document by linking it with the reality and by making vertical and horizontal comparisons. In the course of study, we should give them in-depth education in the current situation and policies so as to help them better realize the good situation and correctly sum up historical experience. This will enable them to deepen their understanding of the party's line, principles and policies so as to better understand the necessity and importance of reform and to see more clearly the historical road that we will take in order to build socialism with Chinese characteristics. Through this education, we will be able to unify the ideological guidelines, distinguish right from wrong, boost our courage, and establish a firmer confidence. This is of great significance in promoting the development of reforms. We should take it as a major task in our political and ideological work this year to relay and carry out the spirit of the upcoming NPC session and CPPCC meeting and the report given by Comrade Ziyang, and we should do solid and effective work in this regard so as to provide an effective ideological and political guarantee and to give a strong mental impetus to the fulfillment of the Seventh 5-Year Plan.

IV. Hopes and Requirements

The NPC session and the CPPCC meetings are used to discuss and decide major state affairs. All of us should show concern for state affairs and should join hands in handling state affairs. You comrades here have a dual capacity or even multiple capacity. You are members of the CPC, people's deputies, or CPPCC members, and some of you are also party or government leading cadres at various levels. In short, you form the backbone force in all fields, on all fronts, and in all developments. You are keeping contact with the masses in your localities or units. So you should always maintain a sense of responsibility as a master of the state, and adhere to the principle of being responsible to both the party and the people, no matter in what capacity and in what post you may act. On the one hand, you should examine and supervise the work of our party and government at all levels and actively put forward critical opinions on, and constructive proposals for, our work. This is your right and duty. Meanwhile, as party members, party and government cadres, and backbone activists in all fields, you comrades should take the lead in publicizing and implementing the party's line, principles, and policies and use your exemplary actions to influence and bring along the broad masses.

The system of democratic centralism is a basic principle in our state institutions. Building a socialist country with a high degree of civilization and democracy is not only the aim of our struggle, but is also a fundamental guarantee for realizing the four modernizations in our country. Our party and government are representative of the interests of the people. It is a matter of course that we should fully develop democracy and consciously accept the people's supervision. The party's leadership and the people's democratic supervision are not contradictory. Instead, they are in line with each other.

In China, a big country with a population of 1 billion people, without a highly centralized party composed of millions of members who have a high degree of consciousness and devotional spirit and a strict sense of discipline, a party which can really represent and unite the people, can maintain high prestige, and can exercise highly centralized leadership, we would not be able to unify the will and strength of the 1 billion people to advance the socialist modernization process, and the 1 billion people would become just like a sheet of loose sand. Then the consequences would be unimaginable. Meanwhile, in such a big country as ours, for such a big party which has such a large number of cadres and which holds such extensive power, if there is no effective public supervision and the party and its cadres abuse the power and do whatever they like, the consequences would also be unimaginable. At present, we already have various supervision systems. There is inner-party supervision, administrative supervision, and judicial organs supervision. Through the CPPCC, we also accept supervision from our friends outside the party. The NPC is the supreme power organ of the state, and each people's deputy has a supervisory duty. How to institutionalize inner-party democracy and socialist democracy and codify them into law is an important subject in the reform of our party and state leadership system, and we need to continue studies and exploration in this field. Our target is to bring about a situation in which all people, from party leaders to rank-and-file party members, from state leaders down to every citizen, are really equal before the law so that no special party member or special citizen can be free from the binding force of party discipline and state laws, and no one can enjoy the privilege of standing aloof beyond the bounds of party discipline and state laws.

In recent years, people's deputies to the NPC and CPPCC members have done a good job in exercising democratic supervision. Many people's deputies and CPPCC members have gone deep among the masses and plunged into making investigations and finding out about the situation in all fields. They have put forward thousands of proposals and motions to the party and the government, and have made valuable efforts to help the government make correct policy decisions, prevent and correct errors in work, and promote the development of the two civilizations. For example, in their proposal on the Baoshan project in Shanghai, people's deputies and CPPCC members from Shanghai put forward a correct proposal that attention should be paid to strict scientific appraisals, and this proposal was accepted by the department concerned in the handling of the Baoshan project. The law on compulsory education, which this NPC session will deliberate and approve, is also formulated according to a proposal by some people's deputies. At the Third Session of the Sixth NPC, people's deputies put forward proposals on banning unhealthy tabloids, pornographic books and video products; on strengthening propaganda and education in the legal system; on developing the Simou forests in Yunnan Province; and on continuing building the Shangqiu-Fuyang railway. They were all good opinions. CPPCC members have also put forward many constructive proposals and opinions and have organized experts in all fields to provide valuable consulting services for the government. All this is highly valued by the party central leadership and the State Council. Some corresponding decisions have been made to put the proposals into practice; some proposals have been included in the plans; and some proposals and opinions are under active consideration. All this demonstrates the people's deputies and CPPCC members' sense of responsibility as state masters, and also shows that our party and government pursue a system of democracy and respect the will of the people.

It is hoped that at the coming meeting, all comrades here will continue to emancipate your minds; speak your minds freely with realistic attitudes; make criticisms in correct way; and correctly sum up the experience in construction and reform. We welcome your exposure of problems and your proposals for solving these problems. We welcome your criticism of various mistakes in our work and your proposals for correcting the mistakes. In a word, it is hoped that you will make a diagnosis and work out a prescription through making criticisms and giving advice. Only thus can we gather the people's demands and gather the people's wisdom and strength so as to turn the coming meeting into an oath-taking rally which will pool the wisdom and efforts of the people to realize our grand plan, and into a successful meeting which will boost the people's courage and morale and will unite the people to strive for new victories. So long as we work with one head and one mind, our meeting will certainly be successful, and we will be able to use the spirit of the meeting to mobilize the people throughout the country to work hard to fulfill the glorious tasks specified in the Seventh 5-Year Plan.

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A SCIENTIFIC PLAN, A PROGRAM OF ACTION--CHARACTERISTICS OF THE SEVENTH 5-YEAR PLAN

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[Article by Liu Suinian [2692 7151 1628]; capitalized passages published in boldface]

[Text] Following the successful fulfillment of the Sixth 5-Year Plan, China's socialist modernization program has entered the Seventh 5-Year Plan period. The Seventh 5-Year Plan for national economic and social development examined and adopted by the Fourth Session of the Sixth NPC has presented a grand blueprint for China's socialist modernization and has laid down the program of action for the people of all nationalities throughout the country to advance. It is the first time in the history of China's socialist construction that the state has drafted a comprehensive plan at the beginning of a new 5-year plan which has been adopted by the NPC. The early drafting of the Seventh 5-Year Plan will be of great significance to guiding the national economic and social development as a whole and to having the initiative of overall economic work well in hand. This shows that our party and government have improved their art of leadership in guiding the socialist modernization program.

In his report on the Seventh 5-Year Plan, Premier Zhao Ziyang made brilliant expositions on the guiding principles and basic tasks of the plan and explained its scientific nature and correctness in many ways. The Seventh 5-Year Plan will occupy an important position in the entire course of China's socialist modernization program. The fundamental purpose which runs through the Seventh 5-Year Plan and guides the economic and social development during the period is to continue to act in accordance with the general requirement of building socialism with Chinese characteristics, promote China's economic development strategy, and effect a change in the economic structure from the old model to a new one so as to put our national economy on the path of vigorous growth with high efficiency and good economic returns. This plan has organically combined the pioneering and enterprising spirit with the scientific attitude of seeking truth from facts and has closely linked the grand objective with steady steps. It is a 5-year plan that calls for vigorous efforts and maintains steady progress as well as a plan that scientifically reflects the objective demand of the development of China's socialist modernization program. Generally speaking, this 5-year plan has the following six distinctive characteristics:

FIRST, THE SEVENTH 5-YEAR PLAN GIVES PRIORITY TO REFORM AND PUSHES THE REFORM OF THE ECONOMIC STRUCTURE IN AN ALL-ROUND MANNER SO THAT REFORM AND DEVELOPMENT COORDINATE AND PROMOTE EACH OTHER.

The Seventh 5-Year Plan covers a crucial period in which China's socialist economic structure is changing from an old model to a new one. The change of the economic structure will be of vital significance to the satisfactory fulfillment of the various tasks related to the economic and social development during the Seventh 5-Year Plan, to launching China's economy on a normal path, and to the sustained and steady development of the economy during the 1990's and in the years to come. Therefore, the Seventh 5-Year Plan has regarded steadily promoting the reform of the economic structure as an extremely important task and has laid down specific measures. This is the most outstanding characteristic of the Seventh 5-Year Plan. In recent years, China has achieved remarkable successes in reforming its economic structure. This is generally acknowledged. As we are now in the period in which a new system is replacing the old one, frictions and conflicts will inevitably exist in our economic life which may hinder the development of the productive forces. Only by carrying out comprehensive reforms in a systematic way can we diminish the conflicts and frictions, fully arouse the initiative of the enterprises and laborers, rationally distribute the natural resources, speed up the pace of scientific and technological progress, and push forward the development of the national economy in proportion and with high efficiency. The current political and economic situation is entirely favorable to reform. We must seize this opportunity and strive to achieve complete success of reform during the Seventh 5-Year Plan period.

According to the plan, we should try, within the next 5 years or longer, to lay a solid foundation for a new socialist economic structure with Chinese characteristics. Focused on this objective, we should do a good job of reform in the following three respects in accordance with the requirement of developing a planned socialist commodity economy based on public ownership: 1) We should further invigorate enterprises, especially big- and medium-sized ones which are owned by the whole people. We should turn them into relatively independent economic entities, into socialist commodity manufacturers and dealers having full authority for management and fully responsible for their own profits and losses. 2) We should make further efforts to develop a socialist commodity market and to improve the market system. 3) The state will establish a new socialist macroeconomic management system by gradually changing from mainly direct to mainly indirect control in its management of enterprises. The above-mentioned three aspects of the reform are closely interrelated and form an organic whole. Only by doing a good job in all three can we develop a whole set of mechanisms which will organically combine planning with marketing, micro-flexibility with macroeconomic control, and centralization with decentralization, and promote the vigorous development of the socialist commodity economy. In order to create a fine economic and social environment for the reform of the economic structure, the plan maintains an appropriate rate for economic growth, construction scale, and improving living standards, instead of imposing a strain on economic life. While making specific arrangements, it is necessary to proceed from the actual circumstances and divide the period of the Seventh 5-Year Plan into two stages, of 2, and then 3 years. In the first 2 years, the emphasis should be on solving the question of overexpansion of social general demand, stabilizing the economy as a whole, carrying out some necessary reforms, and providing financial and material resources and other conditions for the decisive step taken in the reforms of the pricing and taxation systems, thus enabling the reform of the economic structure to develop in a smooth manner and attain the anticipated results.

The fundamental purpose of the reform of the economic structure carried out in the course of economic development is to develop the productive forces. Meanwhile, the Seventh 5-Year Plan period is that most important one for realizing the grand objective put forward by the 12th CPC National Congress. Proceeding from such a situation, the plan requires the steps and measures taken for the reform of the economic structure in the next 5 years to correspond to economic and social capacity so as to help stabilize the overall economic situation and attain better economic results in all fields. By taking into account the internal relations between the reform of the economic structure and economic development, the plan calls for establishment of a general framework within the next 5 years for a new economic structure rather than fully realize the task of structural reform. We must profoundly understand the necessity and importance of drafting the plan in such a manner, correctly handle the relations between economic reform and economic development, seek unity of thinking and action according to the requirements of the plan, develop the reform of the economic structure in depth, and push forward the socialist modernization program.

SECOND, THE SEVENTH 5-YEAR PLAN STRESSES AN APPROPRIATE ECONOMIC GROWTH SO AS TO MAINTAIN AN ORGANIC WHOLE OF SPEED, PROPORTION, AND EFFICIENCY.

As far as a developing socialist country like ours is concerned, it is an important question to appropriately determine the economic growth. If growth is too slow, it will be difficult to make the most of natural resources, enhance our national strength, and meet social demands. If growth is too fast, it will lead to the blind pursuit of output and output value at the expense of economic results, product quality, and scientific and technological progress. Owing to the shortage of financial and material resources, apart from leading to economic dislocation, it will also be short-lived. Over a fairly long period in the past, we put undue emphasis on quantity and growth instead of quality and efficiency in our economic planning work. This tendency began to change during the Sixth 5-Year Plan period, but the problem was not fundamentally solved in actual life. The Seventh 5-Year Plan has taken special note of fixing an appropriate rate for economic growth and promoting the proportionate and efficient advance of the national economy.

The plan provides that the total value of industrial and agricultural output should increase by 38 percent in 5 years, an average of 6.7 percent annually. Of that total, the value of agricultural output will rise at an average annual rate of 4 percent (or 6 percent if rural industries are included), while the value of industrial output will rise at a rate of 7.5 percent (or 7 percent if rural industries are excluded). The gross national product is to increase by 44 percent, an average of 7.5 percent annually. This rate of growth is slightly lower than that achieved during the Sixth 5-Year Plan period. Nevertheless, it is based on the overall analysis of the social demands and production conditions in the next 5 years. On the premise of achieving better economic results and improving quality and on the basis of the coordinated and proportional relations, it has particularly taken into account the demand of creating a fine environment for the reform of the economic structure on an appropriate economic growth. While fixing the above-mentioned rate of economic growth, the Seventh 5-Year Plan gave prominence to the attainment of better economic results and improvement of product quality, set strict demands for the economic results in various fields, made further arrangements for rationally readjusting the production setup over a broad scope so as to promote the coordinated development of agriculture, light industry, and heavy industry; energy, raw and semifinished materials industry, and processing industry; transportation, communications, the building industry, and the national economy as a whole; and tertiary industry and primary and secondary industries, and gave impetus to the rise and development of various newly emerging industries in a planned manner. These arrangements made by the plan will bring about a unity of speed, proportion, and efficiency and ensure that the national economy will embark on a normal path.

Meanwhile, we should be aware that the growth rate set by the plan is by no means too low. If the growth rate is realized by 1990, the total industrial and agricultural output value and gross national product will increase by 130 percent and 160 percent respectively over 1980, an average annual increase of 8.7 percent and 10 percent respectively, far exceeding the growth rate, the output of China's major products will top a new level, better economic results will be achieved, our economic strength as a whole will be enormously enhanced, and the people's living standards will improve remarkably. The economic growth rate set in the plan is high, but not too high. As the plan has left some margin, we may even be able to exceed the growth rate. In this way, we can gain the initiative in work and also benefit the people. Naturally, the growth rate set in the Seventh 5-Year Plan cannot be any lower. Otherwise, it will be difficult to improve the people's living standards, to meet the needs of economic reform, and make the necessary material and technical preparations for long-term development in the future. It will also dampen the enthusiasm of enterprises and masses aroused by reform and hinder normal economic growth and the attainment of better economic results.

THIRD, THE SEVENTH 5-YEAR PLAN LAYS EQUAL EMPHASIS ON BOTH ACCUMULATION AND CONSUMPTION, AND PROMOTES THE COORDINATED DEVELOPMENT OF ECONOMIC CONSTRUCTION AND IMPROVEMENT IN LIVING STANDARDS.

Rationally distributing and using the national income and establishing a proper ratio between accumulation and consumption are the major premises to promote the normal development of the national economy and the key to the drafting of an economic and social development plan.

In the course of drafting the Seventh 5-Year Plan, the CPC Central Committee and the State Council earnestly summed up the experience of the past, proceeded from the actual situation of the current overexpansion of social general demand, and put forward a basic guiding principle of maintaining a balance of social general demand and general supply so as to establish a proper ratio between accumulation and consumption. This principle has been implemented in earnest in the Seventh 5-Year Plan.

In order to maintain a steady economic growth during the Seventh 5-Year Plan and to provide reserve strength for economic revitalization during the 1990's, the Seventh 5-Year Plan has made reasonable arrangements for economic construction in light of the needs and possibilities and on the premise of controlling the general scope of investment in fixed assets. The plan sets the investment in fixed assets of the whole society in the next 5 years at 1,296 billion yuan. Of that total, the fixed assets investment of state enterprises is set at 896 billion yuan, an increase of around 70 percent over the Sixth 5-Year Plan period. According to such an investment scale, the average accumulation rate during the Seventh 5-Year Plan is 30 percent, about the same as for the Sixth 5-Year Plan, but lower than the accumulation rate of 1985. This accumulation level is relatively suitable for us. As we are now doing pioneering work, we need funds in all fields. While reasonably increasing consumption, it is absolutely necessary to appropriately increase accumulation to a certain extent. This helps combine the people's immediate interests with their long-term interests. While setting an appropriate scale of investment, the Seventh 5-Year Plan also readjusted the investment pattern in a rational way according to the objective demands of the rational use of construction funds and the modernization progress of the national economy. The rational readjustment of the investment pattern is advantageous to putting the investment scale within the capacity of the national strength and to increasing reserve strength for economic development.

To improve the living standards of urban and rural people on the basis of developing production and attaining better economic results is an important task during the Seventh 5-Year Plan period and the starting point of the drafting of the plan. The plan provides that the actual consumption level of the urban and rural inhabitants in the next 5 years will increase by 27 percent, an average of 5 percent annually. This rate of increase is on the whole in keeping with the increase in the per capita national income over the same period. Meanwhile, there will be more consumer goods of greater variety and better design and the living standards will constantly improve. While making arrangements for living standards and consumption, the plan has earnestly taken into account the objective of having the people become relatively well-off both materially and culturally by the turn of the century, and the anticipated development of production. The Seventh 5-Year Plan closely links the development of production and construction with the measures taken to improve the people's living standards. As a result, it explicitly defines the purpose of production and construction, enables the people to see the material benefits in the course of production development, arouses their immense enthusiasm for labor, and pushes forward production, construction, and the reforms in various fields.

FOURTH, THE SEVENTH 5-YEAR PLAN ATTACHES GREAT IMPORTANCE TO THE DEVELOPMENT OF SCIENCE, TECHNOLOGY, AND EDUCATION AND ESTABLISHES THE RATE OF CHINA'S ECONOMIC GROWTH ON THE BASIS OF SCIENTIFIC AND TECHNOLOGICAL PROGRESS AND THE EXPLOITATION OF INTELLECTUAL RESOURCES.

The hallmark distinguishing China's new economic development strategy from the old one is whether or not we have attached great importance to scientific and technological progress and the exploitation of intellectual resources. Under the guidance of the traditional development strategy, science, technology, and education could not play their proper role. The expansion of production meant an increase in investment and development of projects on a large scale. Moreover, economic construction was not properly combined with scientific, technological, and education work. This is the root cause of the poor economic results and the slow progress of China's technology. Although such a state of affairs began to change from the Sixth 5-Year Plan, it is far from enough. In accordance with the instructions of the CPC Central Committee and the State Council, the Seventh 5-Year Plan has put the acceleration of scientific and technological progress and exploitation of intellectual resources in an extremely important strategic position so that economic construction will rely mainly on scientific and technological progress, apply and make the most of scientific and technological achievements, and attach great importance to the role of intellectual resources.

In accelerating scientific and technological progress and closely linking economic construction with scientific and technological work, the drafting of the Seventh 5-Year Plan has given prominence to the following: First, the strategic priorities of China's scientific and technological development are further defined, including achieving those scientific and technological results that can yield the best and fastest economic returns and putting them into wide application, concentrating forces on tackling key scientific and technological projects, vigorously developing new and high technologies, integrating China's scientific and technological research with the import of advanced technology, strengthening both applied and basic research, and making specific arrangements for accomplishing the tasks in the next 5 years. Second, the technological development policy for various trades and the technical transformation scheme formulated in advance provided grounds for the drafting of the Seventh 5-Year Plan. Around 1,000 natural scientists and economic management experts participated in the work jointly sponsored by the State Planning Commission, the State Scientific and Technological Commission, and the State Economic Commission and accomplished it within 2 years from 1983 to 1985. The scheme set the long-term objective as well as the tasks for the near future, thus enriching the contents of the Seventh 5-Year Plan and improving its quality. Third, the tasks and targets of the application and development of science and technology are specified in the readjustment of production and product setups, capital construction, and technical transformation as well as in other economic and social development plans. With regard to the development of social science, the plan has also set the topics and requirements for the study of economic, scientific, technological, and social development strategy and the reform of the economic structure. To sum up, accelerating and relying on scientific and technological progress are characteristics of the Seventh 5-Year Plan.

In the exploitation of intellectual resources, the plan calls for enhancement of elementary education, energetic promotion of 9-year compulsory education as well as vocational and technical training, and consolidation and improvement of higher education and adult education. In the next 5 years, a total of 5 million senior specialized personnel will be trained, an increase of 100 percent over the Sixth 5-Year Plan period. In light of the current actual situation and social demand, the plan has stressed that all schools at various levels should further readjust the education structure and take note of improving teaching quality.

In order to speed up scientific and technological progress and the exploitation of intellectual resources, the outlay set by the plan for science, education, culture, public health, and sports in the next 5 years is 201.6 billion yuan, an increase of 72 percent over the 117.2 billion yuan set in the Sixth 5-Year Plan. The figure accounts for 18 percent of the financial expenditure and represents a growth rate higher than that of state revenues from regular items. In addition, the plan has called on the local governments at all levels to allocate more funds for the development of science and education. Meanwhile, state enterprises, collectives, and other sectors of the society should be encouraged to promote scientific and technological progress and the exploitation of intellectual resources. By following the requirements of the Seventh 5-Year Plan, a new situation will appear in the development of China's science, technology, and education and China's economic construction will further embark on the correct path relying mainly on scientific and technological progress and the exploitation of intellectual resources.

FIFTH, THE SEVENTH 5-YEAR PLAN STRESSES OPENING THE DOOR WIDER TO THE OUTSIDE WORLD SO THAT CHINA'S PRODUCTION AND CONSTRUCTION ARE CLOSELY INTEGRATED WITH FOREIGN ECONOMIC AND TECHNOLOGICAL EXCHANGES.

It is an important item in the new economic development strategy to open up to the outside world so that China's closed and semiclosed economy will give way to an open economy characterized by positive use of international exchange. Practice over the past few years has proved that by opening up to the outside world, we can learn from the strong points of other countries to offset our weaknesses, make up for our shortages of construction funds, and accelerate the pace of China's socialist modernization. To meet the needs of the new situation of opening up to the outside world, the Seventh 5-Year Plan calls for expanding foreign trade and economic and technological exchanges on a wider scale and making further efforts to use domestic and foreign capital and resources and exploit domestic and foreign markets in a planned manner. According to the plan, the total volume of China's import and export in 1990 will increase by 40 percent over 1985, in which exports will increase by 47 percent and imports, 35 percent. Meanwhile, the import of advanced technology and use of foreign capital will also increase correspondingly. By implementing this plan, China's external economic and technological exchanges and cooperation will develop to a new high level, which will help accomplish the arduous tasks in the next 5 years and promote the development of the socialist modernization program.

The key to realizing the requirements of the aforementioned plan lies in increasing exports and earning more foreign exchange. The capacity of our export and foreign exchange income determines the level of China's external economic and technological exchanges and conditions the scale and progress of our domestic economic construction. Only by increasing exports can we gain the initiative in planning our domestic construction and external economic development. Therefore, the Seventh 5-Year Plan has made positive arrangements for improving the quality of export products, readjusting the product mix of export commodities, perfecting the export production system, and exploiting the international market. At the same time, the plan also calls for vigorously developing tourism, running international air and sea transport and insurance businesses, and undertaking overseas projects and labor service so as to increase foreign exchange income from nontrade items. Regarding the use of foreign exchange, the plan has stressed socioeconomic results, careful calculation, and strict budgeting and insisted on using foreign exchange mainly to import software and advanced technology and equipment and on strictly controlling the import of ordinary processing equipment and durable consumer goods. The products that can be manufactured in China should not be blindly imported from other countries. In addition, measures should be taken to eliminate import of duplicated goods. During the Seventh 5-Year Plan, foreign capital should be used through various forms on the basis of increasing foreign exchange and our capabilities of repayment and digestion. While using foreign capital, it is necessary to adhere to the correct orientation and achieve better economic results. In order to further implement the policy of opening up to the outside world, it is necessary to continue to reform the foreign trade management system. Only thus can we ensure and promote the healthy development of China's foreign trade and economic and technological exchanges.

SIXTH, THE SEVENTH 5-YEAR PLAN GIVES IMPETUS TO ALL-ROUND ECONOMIC AND SOCIAL DEVELOPMENT AND PAVES THE WAY FOR THE ADVANCE OF SOCIALIST SPIRITUAL AND MATERIAL CIVILIZATION.

In accordance with the instructions of the CPC Central Committee and the State Council and the requirements of the economic development strategy, the Seventh 5-Year Plan attaches great importance to the all-round development of various social undertakings. While pushing forward the building of material civilization, it has particularly called for stepping up the building of spiritual civilization. The development of modern economy and the dynamic planned socialist commodity economy are closely related to the people's thinking, ideas, morality and various social factors and require a balance and coordination between economic growth on the one hand and population, natural resources, and environment on the other. Objectively, the state plan should take all factors into account, make overall arrangements for economic and social development, and implement the principle of laying equal stress on the building of material and spiritual civilization. The Seventh 5-Year Plan has made specific stipulations and requirements for the development of various social undertakings which include the growth of population, employment, urban and rural construction, and exploitation and management of land. These are all important component parts of the plan. In the building of socialist spiritual civilization, the plan contains added aspects such as developing culture, public health, sports, and other undertakings; strengthening ideological and political work; perfecting socialist democracy and the legal system; and effecting a fundamental turn for the better in social order and general mood. By implementing the Seventh 5-Year Plan, we will be able to effectively promote the coordinated development of the economic construction and social undertakings, strengthen the building of socialist spiritual civilization, and provide ideological guarantees and social conditions for smoothly carrying out the socialist modernization program and various reforms.

Here we must also point out that the Seventh 5-Year Plan has a distinctive characteristic in the form and method of its drafting which is different from the method of setting targets, enumerating projects, and distributing investment and materials in the past. In the course of the drafting of the Seventh 5-Year Plan, considerable efforts were dedicated to the study of major strategies, principles, and policies. While setting the necessary targets, the plan emphatically put forward the relevant policies for implementation so that both could coordinate each other and become an organic component part of the plan. The plan has taken note of applying the economic levers and means to guide and regulate the orientation and operation of social and economic activities and has combined them with legal means and the necessary administrative means. Meanwhile, the plan has reduced the scope of mandatory planning and relevantly extended the scope of guidance planning and market regulation. These methods constitute a major change in China's planning work. By doing so, the state plan will be more flexible, scientific, and effective and will competently guide the smooth development of the national economy, structural reform, and various social undertakings.

With the earnest implementation and satisfactory fulfillment of the Seventh 5-Year Plan, the Chinese people will inevitably take a new step forward in building socialism with Chinese characteristics and making the country prosperous and the people rich and happy. Let us respond to the call of the Fourth Session of the Sixth NPC, unite as one, carry forward the spirit of the foolish old man who removed the mountains through arduous efforts, temper our will, forge ahead, strive to fulfill or overfulfill the significant Seventh 5-Year Plan, and seize greater victories in the building of socialist modernization.

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TAKE ADHERENCE TO DISCIPLINE AND LAW AS AN IMPORTANT CRITERION FOR ASSESSING ENTERPRISES

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[Article by Jing Ping [2529 1627]]

[Text] A common expression is: Every profession produces its own leading authority. In socialist modernization, it is absolutely necessary for each industry and trade to choose a batch of advanced enterprises to serve as models for study in that industry or trade. The standard for advanced enterprises can differ with the industry or trade, but there is one standard which all industries and trades must accord: They must adhere to discipline and law. The relevant State Council stipulations set down: Enterprises must firmly uphold the socialist road, implement the state's principles and policies, and adhere to laws and regulations. It should be said that adherence to discipline and law is a basic criterion in an enterprise's normal economic activities. Advanced enterprises should ever more be models in adhering to discipline and law. This is an embodiment of the basic principle of enterprise management--"at the same time as persisting in promoting the building of material civilization, we must put great efforts into strengthening the building of socialist spiritual civilization"--as noted in the proposal on the Seventh 5-Year Plan passed by the National Conference of Party Delegates. Looking at the present situation, we should especially strengthen this point.

Over the last few years our nation has conducted a major annual tax and financial investigation (last year prices were included). The problems involved in the investigations generally involved several billion yuan each year. In the major investigation last year, the funds involved in nonpayment of tax, tax evasion, and other actions which violated the law and discipline totaled over 10 billion yuan. This really is startling. Some of this can be put down to systems being imperfect and policy limits not being clearly defined, but quite a substantial amount was the result of deliberate violations, being aware of the law but not abiding by it, intentionally undermining the foundations of the state, or violating the interests of the masses. In some districts, the units and individuals not paying taxes, evading taxes, or engaging in actions which violated the law or discipline constituted 80 percent of the total units and individuals paying taxes. Many advanced enterprises engaged in actions which violated law and discipline, some quite seriously. Thus, they played a particularly inglorious role as "example setters." What is noteworthy is that when the relevant departments discovered these actions of seriously violating the law and discipline by the enterprises, some leading departments felt that as these enterprises were advanced units, they should be shielded, that they should not be investigated and punished, and that this should not be made public. Thus, some "advanced" enterprises, knowing that they had strong backing, did not carry out self-examination and refused to have other persons examine them. Such action is not consistent with the title advanced enterprise and goes against the basic principle of grasping the two civilizations. Thus, taking an enterprise's adherence to law and discipline as a major standard in assessing whether an enterprise is advanced or not, and making this clear and certain on both the ideological and organizational levels, is vitally necessary.

At present our nation's reform of the economic structure is being gradually carried out. In order to gain experience, the state has allowed some advanced enterprises to take the first step and carry out experiments. For this, various special types of treatment and special policies have been provided. The scope, contents, and policies of the experiments have clear stipulations. It certainly cannot be said that these experimental enterprises can act as they wish, do what they want, and violate law and discipline. The state has given them the power to reform, not the power to violate law and discipline. The leaders of some enterprises have used the pretext of reform to violate law and discipline and seek exorbitant profits. This is completely wrong. We are a socialist nation and all enterprises are equal before the law. How can advanced enterprises not be subject to the jurisdiction and restrictions of the law? Quite the reverse, the more advanced an enterprise, the more it should adhere to discipline and law. If enterprises which are appraised as advanced units violate law and discipline, they must all be severely dealt with.

Can seriously dealing with the problems disclosed through the investigation obstruct the reforms? No, it cannot. Comrade Tian Jiyun has pointed out: "Reform must be persisted in and unhealthy tendencies and violations of law and discipline must be firmly redressed and curbed. The two are complementary and promote each other." This is the correct idea. In supporting reform, we must persist in supporting those enterprises which are carrying out reform in the correct direction. We cannot support those enterprises which deviate from the correct direction of reform. Even less can we support those enterprises which violate law and discipline. All those enterprises which are brave in reform, which tap latent potential, and which make contributions to the state and the people must be commended. Those enterprises which harm the state for private benefit, harm the interests of the state and the people, and engage in actions which violate law and discipline should have their title as an advanced enterprise annulled. Those seriously offending should be subject to legal action. Only in this way can reform develop healthily. Of course, during the reforms, it is inevitable that many old regulations will be broken through. Others will need to be supplemented, changed, and improved. Still others will need to be newly set down in accordance with needs. However, party discipline and state law must be observed. On this point we must be unambiguous at all times.

Some comrades feel that the large-scale investigations are carried out simply because the state wants a little more income and wants to balance financial income and expenditure. Thus, when the enterprises pay the extra tax or make appropriate payments, that should be enough. They wonder why it is necessary to severely deal with the enterprises. Collecting income which should have been paid to the state is admittedly important. However, at the same time, we should stress the building of spiritual civilization and achieving a basic turn for the better in party style and social atmosphere. Comrade Deng Xiaoping has pointed out: "If we do not strengthen the building of spiritual civilization, the building of material civilization will be damaged and follow a twisting road. If we merely rely on material conditions, then neither our revolution nor our construction will achieve victory." Very recently, Comrade Deng Xiaoping pointed out: "In engaging in the four modernizations, we must use both hands. One will not do. When we speak of two hands, it refers to one grasping construction and the other grasping law." Advanced enterprises are models for people to study. How can we allow people to study the violation of law and discipline? How can we allow people to admire these? How can we give them prestige?

During the large-scale investigations, some regions stipulated that adherence to discipline and law is an important standard in assessing whether an enterprise is advanced. For general transgressions of the law, an enterprise could investigate them itself and guarantee that it will not transgress again. For more serious offenses, an enterprise might be shown a "yellow card" as a warning, but it could still keep its advanced status. For serious violations of the law which the enterprise could not investigate by itself, or even for repeated violations, an enterprise would be shown a "red card," which would annul its advanced enterprise status, and a notice would be circulated. We feel that these stipulations are worthy of attention.

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LOOK INWARD, TAP POTENTIAL, AND EXPLOIT FAVORABLE CONDITIONS

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[Article by Huang Mobin [7806 1075 3453], manager of Wuhan Steel Company]

[Text] How is it possible to invigorate large enterprises so that they may play an even bigger role in our country's socialist modernization? This is a big and important topic that is being intensively studied in theory and in practice. The Wuhan Steel Company exhibited definite vitality in the Sixth 5-Year Plan period, prefulfilling its Sixth 5-Year Plan. In 1985, its output of iron and steel amounted to 4 million tons of each while the 1.7 meter rolling mill realized, and actually surpassed, its assessed planning capacity. Over the past 5 years, the whole company's realized profit-tax increased at an annual rate of 24.64 percent. This totaled 4 billion yuan, equivalent to the investment in building the 1.7 meter rolling mill. Following consolidation, the enterprise has continued to display a sustained and stable development situation in production.

In the Sixth 5-Year Plan period, the Wuhan Steel Plant changed the original production procedure of carrying on completely in accordance with the state's mandatory plan, to combining mandatory planning and guidance planning in commodity production and operations oriented toward the market. In order to be suited for this change, and on the condition that the state provided it with definite decisionmaking power and a preferential policy, it was necessary for the enterprise itself to possess the ability of a socialist commodity producer and entrepreneur. Although the operation and development of an enterprise is the result of the combined working of internal and external factors, in the final analysis, the internal factors serve as the basis for the full utilization of external conditions, to convert the external factors into internal functions. Hence, insofar as the Wuhan Steel Mill is concerned, the key to development is to look inward, exploit its favorable conditions, and tap its own potential.

In the early 1980's, the Wuhan Steel Plant faced two challenges: The first was that following the 3d Plenary Session of the 11th CPC Central Committee, the national situation turned greatly for the better, and, although the Wuhan Steel Plant situation was still good, its production was not stable; it failed to fulfill its plans; the "1.7 meter" rolling mill was unable to display its capacity after entering into production; and society's opinion was generally unfavorable. How to change this passive and regressive situation was an extremely difficult task. The second challenge was that due to constant readjustment of the price system, the prices of ores, coal, and energy and the cost of transportation were continuously readjusted. Each year, the burden imposed on the enterprise due to the rise in prices was rather great and this was a kind of pressure. However, at the same time, we also saw Wuhan Steel Plant's special and favorable conditions: It was equipped with 1.7 meter rolling machine equipment of advanced 1970's level; state investment of 6.5 billion yuan; an annual major production capacity of 4 million tons of basically formed steel, and the production potential was still not fully tapped; certain preferential policies endowed by the state; and so on. Facing these conditions, we were determined to enforce the party Central Committee's guidelines about invigorating internally and opening to the outside world; grasping the central work of consolidating and reforming the enterprise; playing up strong points and improving weak points; exploiting the favorable conditions; accepting challenges and creating a new situation for the Wuhan Steel Plant.

I. Strengthening Basic Management and Augmenting the Ability for Sustained and Stable Production Development

In a large enterprise like the Wuhan Steel Plant, the socialized degree of production is rather high and management is of an outstandingly important character. Unfortunately, contrary to objective demands, enterprise management in the Wuhan plant was "inherently deficient without being properly strengthened." When the Wuhan Steel Plant went into production in 1958, it was the time of the "Great Leap Forward," the "Charter of the Magnito Gorsk Iron and Steel Combine" was then being criticized and there was much chaotic destruction. Many systems were abolished before enforcement. The "70 Regulations in Industry" were enforced, but these regulations, soon after their promulgation, were wrecked for a period of 10 years with the coming of the "Great Cultural Revolution." It was only after the 3d Plenary Session of the 11th CPC Central Committee that consolidation began. Hence, the foundation of enterprise management in the Wuhan Steel Plant has been extremely weak. A management level of this kind was incompatible with modern large-scale production. It could hardly perform the functions of organization and command in production work. In spite of the introduction of advanced equipment, its capabilities could not be displayed and there was no way to get rid of the passive production state. Hence, insofar as the Wuhan plant is concerned, strengthening of its enterprise management was especially significant.

Which areas should be strengthened? Major efforts should be devoted to the most basic links of foundation management. The Wuhan Steel Plant has experienced the large incidents of wasting two flows of molten steel in a single day. There were also instances of certain other accidents but there was no way of determining who was responsible. Comrade Deng Xiaoping criticized such happenings and pointed out the necessity to set up and improve the necessary regulations and systems. Modernized management requires the existence of good basic management work. If it is not possible to find out those responsible for accidents or to supply correct figures when needed, how can we talk about modernized management? For this reason, once consolidation work began, we emphasized the "three basics work." That is, grasping the grass-roots level, building the foundations, and training in the basic skills." We also started by consolidating labor discipline and improving the "three rules and three systems." The "three rules" are rules on technical operations, safety production, and equipment maintenance. The "three systems" are the post responsibility, attendance record, and shift systems.

All the enterprise's activities are carried out at the various posts and the nucleus of the enterprise's basic management is the post responsibility system. Enforcement of the post responsibility system is the breakthrough point in strengthening basic management. The company specifically divided the general target in production management into over 400,000 separate assessment targets and each one of them was assigned to a post and to individual personnel. Thus, after suitably assigning people to posts; earmarking each post's responsibilities; and determining merits according to responsibilities and awards and fixing commendations according to merits, an economic responsibility network structure with vertical and lateral relations was formed.

Since 1982, the Wuhan Steel Plant has set the economic responsibility system as the center; strengthened basic management work; tightly grasped the all-round consolidation of enterprise management work; insisted on avoiding doing something as a mere formality; rejected making vain postures; talked about and studied actual results; and grasped the work to the finish and constantly intensified it. For example, in 1984, on the basis of the original economic responsibility system, it developed a new economic responsibility system centered on various contract forms, and began to devote 3 days each month to the activity of checking the economic responsibility system. In 1985, it proceeded further to take management of the guideline targets as the center and with the economic contract responsibility system as the foundation set up a specialized management system. After several years of consolidation, the various kinds of basic management work were strengthened and the enterprise emerged from "confusion" to "order," realizing a change in production from instability to a benign cycle. The phenomenon of heavy ups and downs in production disappeared and even during the hot summer months of July and August in Wuhan, balanced production was realized. In the past few years, despite the yearly increase in tasks and assignments, we have no longer engaged in such activities designated as a "rosy beginning," or "high production month," or "gift presentation," or "fighting high temperatures and seizing a high yield," and so forth. We reckoned that only when various conditions of work had matured, and normal production order was achieved, would high yield come of its own accord. Otherwise, savage man-made efforts may bring about a rise today but a fall tomorrow. History has provided us with lessons in this regard.

Construction work in strengthening the leadership team is the key to enterprise consolidation. Since 1982, the plant's leadership, beginning with each factory, mine, department workshop and section, consolidated the leadership team according to the standards of the "four modernizations." It adopted diversified forms of appointing, engaging, inviting and democratically electing, to select and employ talented persons without adhering to any fixed rule. But personnel must be subjected to assessment once every half year and with regard to cadres who were unable to open up the situation or were unequal to their tasks, prompt readjustment was made. Through the "three fixings" (fixed post, composition, and personnel) and retrenchment and streamlining, in 1985 as compared with 1982, the number of departmental offices was reduced by 33 percent; the number of sectional offices was reduced by 24 percent; the number of cadres at departmental level was reduced by 38 percent; and the number of cadres at the sectional level was reduced by 19 percent. All the cadres were subjected to the tenure system and both the practices of "an iron job" and "permanent post" were abolished. The state of superficial or overly large staffs was changed and work efficiency was generally improved. Construction of each team was combined with the work of a new ideological style in party reform. Improvement in the structure of cadres and improvement in their qualities and properties has provided enterprise management with vitality and vigor.

Strengthening personnel training, enhancing the work teams' qualities and properties in politics and business are important measures in strengthening basic management and raising the management level. Over the past 5 years, the plant has provided training for 200,000 staff members and workers. Each year, on average, some 40,000 persons have received primary to high level training, and training in political theory, management, technology and cultural topics. In addition, various kinds of learning and research activities were developed and the whole company has formed a relatively integrated educational structure for staff members and workers. This has far-reaching influences on the enterprise's development.

Following several years of consolidation and reform, basic management has been augmented and a firm foundation has been laid not only for development of production, but also for the modernization of management.

II. Digesting "1.7 Meter" Technology and the All-Round Raising of the Enterprise's Technological Level

In owning 1.7 meter rolling mill equipment of an advanced technological level, the Wuhan Steel Plant was one of the privileged few during the Sixth 5-Year Plan period. Nevertheless, how did we attempt to exploit the favorable conditions so that we could first learn, second use, third transform, and fourth create something new, and to enable the introduced technology to become a catalyst for raising the overall technological level? Basically, our method was as follows:

First, we resorted to digesting, that is, learning and using including operation and maintenance, and so forth. The "1.7 meter" mill was related to the technologies of a score of countries and over 100 factories, being extremely complex and complicated. This provided us with a good opportunity to understand and learn foreign technology. In all, we dispatched some 4,516 people to foreign countries and various places around the country to learn the techniques. Within the plant we provided training for 6,564 people, translated and studied 31.64 million characters of reference materials, and reprinted 12.5 tons of charts and diagrams. When there were no charts or diagrams to refer to, we sent people to make on-the-spot surveys and draw up the charts and diagrams. We managed to basically digest and grasp the 231 patented items and 217 tricks of the trade. Regarding equipment maintenance, we carried out various systems such as the regional engineers responsibility system; checking and inspection system; rotating inspection system; ascertaining system; fixed or periodic maintenance system; and so forth.

Second, on all fronts, we carried out measures to lead the technological transformation and advancement of the old plants. Wuhan Steel Plant's mining and metallurgical equipment in the preceding period had all been equipment of the 1950's, which were seriously imbalanced with regard to output quantity requirements, product variety and quality, and the properties of products when compared with the "1.7 meter" mill. If no change was made in these conditions, the "1.7 meter" setup could not perform its function and exploit its favorable conditions. This meant that the technology of the old plants had to be elevated to a level in conformity with that of the "1.7 meter" rolling mill. We analyzed each and every one of the principal weak links, engaged in large-scale coordination and transformation work, and successively transformed the relevant iron ore mines. Of the six coking furnaces, five were subjected to a thorough and major overhaul. Of the four blast furnaces, two were overhauled, while overhauling and transforming work was done on four of the open hearths. In particular, commencing in the second half of 1984, No 4 blast furnace, No 3 open hearth, No 3 sintering system, and No 5 coking furnace were simultaneously subjected to rebuilding and transformation. In the course of the transformation work, new technology was employed whenever necessary. Over the past 5 years, 20 large scientific and technological projects were tackled successfully, over 60 new technologies were employed and promoted, while some 175 technological and scientific research results which envisaged relatively high economic benefits were successfully implemented. Of the latter, 73 projects received the Metallurgical Ministry's awards for large and important scientific and technological research results, 32 projects received state awards for invention, and 13 projects were given awards for scientific and technological achievements. In addition, good results were achieved in some 2,382 technological renovation projects. Following several years of renovation, the technological level in the various stages of the metallurgical process was raised, being basically in line with the production requirements of the "1.7 meter" rolling mill.

Third, on the basis of digesting and using, we turned to transforming and to creating something new. This represented a strategic countermeasure after the introduction of technology had developed to a certain degree. If in regard to the introduction of technology no effort is made to transform and create something new, then "technology's power of making a breakthrough" may be lost. In such a case, not only can we not shorten the disparity through the introduction of technology, but also the disparity may be enlarged and we may fall into the passive state of "technological introduction leading to further technological introduction." Moreover, in the case of certain technologies, if after their introduction we do not make any effort to transform or create something new, they can hardly be suited to the environment of our country's resources and other relevant factors. Hence, in the process of digesting the technology of the "1.7 meter" rolling mill, we have grasped all along transformation and new creation work. For example, in regard to the continuous casting ratio of converter furnaces, the original plan had called for a ratio of 80 percent but, following transformation, the ratio was raised to 100 percent. The patent for silicon steel originally provided that in regard to a portion of the high-brand silicon steel slabs, casting should be done only in individual molds, but following transformation and new creation, all could go through the continuous casting-production process. The hot rolling shop made an all-round renovation of the introduced computerized numerical model and set up one with its own special features. The cold rolling shop numerical model, following transformation and new creation, has reduced energy consumption by 5 percent. Simultaneously with transforming the technological equipment in the series of products, a breakthrough was made in the original planning program. Twenty-four categories of new products were successfully trial-produced, including steel with antiatmospheric corrosion properties, low-alloy motor vehicle steel beams, zinc alloy-plated plates. In actual production practice the equipment was constantly transformed. Over the past several years, in the hot rolling shop alone some 1,223 large and small transformation projects were undertaken. Of the scientific and technological activities in connection with the transformation and new creation of the "1.7 meter" setup, three projects were accorded the honor of the state's award for invention and 42 projects received the Metallurgical Ministry's award for scientific and research accomplishments.

The digesting and open-up of "1.7 meter" technology has trained up a large number of technicians and management personnel, turned out products that were in short supply or lacking in the "four modernizations" program, and brought about an all-round elevation of the technological level of the enterprise. This raised the platform for the enterprise's progress and augmented its ability for autonomous development. Its functions far exceeded the scope of an enterprise or department.

III. Maintaining a Rational Growth Structure, Realizing a Benign Cycle of Development

The development speed and benefits of socialist enterprises should be unified and so also should the interests of the three parties, namely, the state, the enterprise, and the staff members and workers. Only in such a development can a benign cycle be realized enabling an enterprise to have innate motive power. How can unification be achieved? A rational composition of growth rates in output volume, output value, taxes and profits, profit retention, salaries and wages and fringe benefits is a condition for the unification of speed and benefit and is also the result of such a unification. It is also a guarantee for integrating the interests of the three parties. If it is said that enterprise management and science and technology are the two "wheels" of development of an enterprise, then this rational growth structure is the "motive power machine." During the Sixth 5-Year Plan period, the Wuhan Steel Plant paid relatively close attention to correctly handling the relationships on these several sides.

First, rational arrangements were made for the ratio between output volume, output value and taxes on realized profits, achieving the unification of speed and benefits. The results of the operations were: In 1985 as compared with 1980, steel output increased by 43.24 percent, averaging an annual increase of 7.45 percent; gross industrial output value increased by 72.06 percent, an average annual increase of 11.8 percent; and taxes on realized profits increased by 200 percent, averaging an annual increase of 24.64 percent. In growth speed, the taxes on profits were larger than output value while that of output value was larger than that of output quantity. The principal road to realizing a rational growth composition was the full exploitation of the innate functions of the various factors of the productive forces, improving the labor productivity rate and carrying out expanded reproduction mainly by intension. In addition to what was mentioned above as augmenting basic management, digesting and absorbing the "1.7 meter" technology, improving the enterprise's technological level, and so forth, we may mention the following: 1) Concurrently with increasing the output quantity, the variety of products was increased, the structure of products was readjusted, and the quality and properties of the products were improved. Over the past 5 years, the whole plant developed over 50 new varieties of products of which 30 were assessed as fit for production. With regard to the quality and properties of the products, 10 gold and silver medals were obtained and 48 products were given good quality certificates issued by the province or department, while the rate of superior-quality products increased from 6 percent to 62.5 percent. 2) By means of such measures as practicing economy in the consumption of energy and raw materials, raising the continuous casting rate, raising the ratio of finished products, augmenting equipment maintenance, reducing outlay for repairs and stepping up the turnover of funds, during the past 5 years, in comparison with the same products in the past, the cost of production was lowered by 23 percent, or by 1.5 billion yuan, or by a net reduction of 860 million yuan after deducting the price rise factor.

Second, the ratio between taxes on realized profits, profits-tax delivered to the state and profits retention by the enterprise was rationally arranged. In 1985 as compared with 1980, the profits-tax delivered to the state increased from 360 million yuan to 820 million yuan, an increase of 122 percent, averaging an annual increase of 100 million yuan or an average annual increase of 17 percent. Profit retention by the enterprise increased from 30 million yuan to 270 million yuan, an increase of 861 percent, averaging an annual increase of 57 percent. Thus, on the precondition of giving priority to ensuring an increase in the state's benefits, the enterprise's benefits were increased and its capacity for self-development was further augmented.

Third, the ratios in the distribution of the production development funds, staff welfare funds and awards and commendation funds from among the retained profits of the enterprise were rationally arranged. The profit retentions of the enterprise for the past 5 years totaled 850 million yuan. Of this amount, the distribution to production development funds was 480 million yuan, or 57 percent; to staff welfare funds, 240 million yuan, or 29 percent; and to awards and commendation funds, 110 million yuan, or 13 percent.

Basically speaking the above growth rate and the distribution structure were rational, satisfying, on the one hand, society's daily growing needs for commodity production and, on the other hand, enabling the state to receive more revenue, the enterprise to retain more profits and the individuals to enhance their income. The enterprise has thus increased its capacity to make more self-accumulations and to carry out more self-transformation and self-development projects. During the Sixth 5-Year Plan period, of the 740 million yuan transformation and development funds of the Wuhan Steel Plant, 640 million yuan was raised by the plant itself. In addition, enterprise production benefits were closely linked to the honor, prestige and material interests of the staff members and workers. Economically, the status of the staff members and workers as masters of the house was manifested, and their active concern with the enterprise's production and operations was aroused thereby enabling the enterprise to develop even more rapidly.

As mentioned above, the development of an enterprise is the result of the functions of various factors being brought into play. In the development of the Wuhan Steel Plant, building of spiritual civilization has been an important factor. It has ensured the enterprise took the socialist direction for development, stimulated the broad masses of staff members and workers to persist in their work as masters of the house, to learn and study diligently, and to strive earnestly to progress upward, forming a contingent of forces which have ideals, are virtuous, cultured, and well observant of discipline.

Following these several years' efforts, the Wuhan Steel Plant has accumulated a reserve strength for development. At present, its development has only started and is still at some distance compared with the advanced enterprises. The potential of the original 5.9 billion yuan worth of fixed assets, the potential in manpower and in science and technology, and particularly the potential in management, is vast. In the Seventh 5-Year Plan period, in order to tap and release these potentials, it will still be necessary to undertake reform and further invigoration. Insofar as the state is concerned, it is necessary to carry out the guidelines that large enterprises must possess decisionmaking power, including power in planning, distributing and marketing, while, in regard to the enterprises, they should look inward, and exploit the capabilities of the management, of science and technology, of rational growth rates, of diversified operations, and of ideological and political work. In a word, we must seek ability from reform. Only by so doing can the Wuhan Steel Plant, like all other large and medium-sized enterprises, be more fully imbued with life and vitality.

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ON METHODOLOGY IN THE STUDY OF LITERATURE AND ART

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[Article by Chen Yong [7115 8673]; passages within slantlines published in italics]

[Text] Methods are tools to aid people's thought, but scientific methods are not developed subjectively at will. They must conform to the essence of the objects of study and to the laws that govern the objects of study. A scientific method reflects the essence and laws related to the object of study. Marxist methodology conforms to the Marxist world outlook and epistemology.

From a Marxist point of view, literature and art has its own specific essence and laws, as well as the common essence and law for all social ideology, which includes literature and art. These two aspects are linked with and differ from each other. We say that a particular culture is the reflection of the politics and economics of a particular society and simultaneously yields a great impact on the politics and economics. This is an essential property common to all the cultural sectors in ideology as a whole, and literature and art is no exception. (Of course, this refers fundamentally to culture as a social class ideology in terms of its essence and does not mean that we should mechanically give such an explanation to every specific literature and art phenomenon.) Each sector of ideology has its own special essence. In order to know the ideology of each specific sector, it is necessary to study both the common essence of all the sectors of social ideology and the special essence of each particular sector of ideology. Literature and art is no exception.

An important topic of study of literature and art methodology is to correctly solve the problem concerning the relationship between the general essence of literature and art that is common for the social ideology of which literature and art constitutes a part, and the special essence of literature and art as a special method to reflect life. The methodology of Marxist literature and art theory can only be established on the basis of the historical materialist theory about ideology and the dialectical materialist epistemology. Historical materialist theory about ideology and dialectical epistemology are the theoretical foundation for us in studying all ideological issues. At the same time, they are also the foundation for us in studying the methodology in dealing with ideological issues. Therefore, in our views, theory and methods are identical.

For a long time, under the influence of "leftist" dogmatic thoughts, when we studied literature and art matters, we often only paid attention to the common aspects of literature and art and other sectors of ideology, but relatively seldom paid attention to the differences between it and other sectors of ideology. In other words, we often mainly paid attention to the common essence of literature and art and other sectors of ideology, but seldom paid attention to the special essence of literature and art. This dogmatic method to deal with Marxism made us neglect the study of the special properties of our literature and art. As a result, it was impossible for our practice of literary creation to play its special and unique functions that cannot be replaced by those of other sectors of ideology. For a long time, lots of formularized literature and art works emerged and there were serious fetters to the development of our literature and art thought and to the improvement of literature and art.

Everybody can see that over the past few years there have been grand changes in China's political, economic, and spiritual life. There have also been very profound changes in literature and art and a brisk and prosperous situation rare in our history has emerged. This cannot be separated from the overcoming of dogmatism, the beginning to relatively rationally handle the relationship between generality and speciality in our thought and practice, and the paying of relatively great attention to combining the general essence of all ideology, including literature and art, and the special essence of literature and art.

However, contrary to the situation in the past, the viewpoint has emerged in which diverse excuses related to the special properties of literature and art are used to repudiate the properties of literature and art as a social ideology. Marxist theory about ideology--the historical materialism theory about ideology and the dialectical materialist epistemology--are regarded as outdated "traditional ideas" and "traditional methods." It is required that "new ideas" and "new methods" should replace the "traditional ideas" and "traditional methods" of Marxism (or at least old ideas and methods, including Marxist ones). A variety of explanations that do not conform to Marxism's original features are given to Marxism. This has in fact distorted Marxism in a caricatural manner.

These problems are noticeable, worth showing concern about, and worth studying. They are not nonessential problems, nor are they merely specific theoretical ones. They are problems directly related to our attitude toward the basic principles of Marxism and to the destiny of our socialist literature and art.

I

Over the past few years, Comrade Liu Zaifu has published a series of theses on literature and art theory. The thesis that he published relatively early on the dual nature of people's character has created a strong response in literature and art circles. What we call a strong response includes both praise and criticism. Comrade Liu Zaifu's thesis on the dual nature of character mainly discusses the theoretical issues concerning character types in literature, but the many theses he published later are of a wider sphere, are more systematic, and involve a series of basic issues concerning philosophy, esthetics, and literature and art theory. Here, I am only going to put forth some of my opinions concerning some methodological issues, but as it is impossible to entirely separate methodological issues from issues of theoretical points of view, the discussion about methodological issues cannot avoid involving some most basic theoretical points of view.

In Comrade Liu Zaifu's thesis entitled "Enlargement of the Scope of Thought for Literary Research," he put forth a series of views on reform in literary research, introduced some new methods of literary research from abroad, and presented fairly great detail about domestic attempts in literary research to find and probe new methods. Of course, it is necessary to make a special study of them in a truth-seeking manner before we can judge the value of the many specific theories and methods. However, when Comrade Liu Zaifu expounded on the trend of literary research in the past few years, he briefed his readers on what he thought to be a "noticeable" trend of "switching from the external to the internal":

/"Switching from the external to the internal means switching from observing the external laws of literature to deepening the research into the internal laws of literature. Our literary research in the past mainly focused on the external laws, namely, the relationship between literature and the economic foundation and between literature and other forms of ideology in the superstructure, such as the relationship between literature and politics, between literature and social life, and between writers' world outlook and methods of writing. Over the past few years, the research has switched to internal laws; in other words, we have been carrying out research into the esthetic characteristics of literature itself, the relationships between various factors in literature, and the structural forms and laws of movement of various categories of literature. In short, research has returned to literature itself."/

Comrade Liu Zaifu was not the first to regard basic Marxist principles on literature and esthetics and the laws of art expounded by basic Marxist principles as so-called "external laws." Some people did so 3 or 4 years ago. However, Comrade Liu Zaifu has indeed done something rare by so specifically and definitely regarding many basic principles concerning literature and art issues expounded by historical and dialectical materialism (such as those concerning the relationship between literature and politics, between literature and social life, and between writers' world outlook and methods of writing) simply as matters of "external laws." In fact, from Marxist points of view, many aspects of what Comrade Liu Zaifu listed as "relationships between literature and the economic foundation and between literature and other forms of ideology in the superstructure" are precisely what determine the nature, contents, and developmental orientation of literature and art. They are not what are called "external laws"; on the contrary, they are the most basic and most fundamental internal laws of literature and art.

From Marxist points of view, it is utterly impossible to understand the essence of literature and art if we study literature and art without taking into consideration the relationships between it and politics, economics, and social life, and between world outlook and methods of writing.

Marxism requires us to persist in applying the universal principles of the historical materialist theory on ideology and the dialectical materialist epistemology in order to understand the special essence of literature and art. Without an understanding of the properties of literature as a form of social ideology, it is impossible for us to give a scientific explanation for what Comrade Liu Zaifu called "the esthetic characteristics of literature, the relationships between various factors in literature, and the structural forms and laws of movement of various categories of literature themselves." Here, the entire question is the combination between the general and the particular. As far back as at the end of 1846 and the beginning of 1847, Engels called his own literary criticism a criticism by the "historical viewpoints of esthetics." This precisely embodied the spirit of combining the social and historical essence of literature with the esthetic methods particular to literature in its reflection of life. However, our Marxist theory on literature and art neglected this for a long time in the past. It mainly neglected the study of the specific laws concerning how literature and art reflect life through the esthetic methods peculiar to them. This is a shortcoming that we should overcome. But "the particular must exist in connection with the general"; therefore, only under the guidance of the general laws of Marxism can we avoid going astray in studying particular things. It is harmful in practice as well as untenable in theory to study the special laws of literature and art in isolation from the properties of literature and art as a form of social ideology, or to regard as "external laws" the series of important esthetic principles disclosed by Marxism concerning the relationships between literature and politics and social life and between writers' world outlook and their methods of writing.

There must be an economic foundation or precondition for any development or change in the literature and art of a time. This is not only because people should first be provided with clothing and food for their survival before they can take up the work of literary and artistic creation, but is also because the nature of the economy of any time, in the final analysis, determines the nature of literature and art. We can find the economic origin or contents in the literature and art of any class in any era. Politics is the concentrated reflection of the economy; therefore, the literature and art of all classes in all eras unavoidably has political contents. It is precisely this historical materialist viewpoint in the sphere of literature and art, rather than any other theories, that for the first time enables us to obtain a truly objective, integrated, deep, and scientific understanding of the fundamental laws of literature and art.

In the field of literature and art, Marx and Engels studied the most important periods in Europe's history of literature and art, including ancient Greece, the Renaissance, and the 18th and 19th centuries. The characteristics of these periods and the relationships between these characteristics and the politics and economies then that Marx and Engels expounded on, were undoubtedly actual applications of their viewpoints to the field of literature and art.

Greek art prospered on the basis of the relative prosperity in Greek economics and the city-state democracy and slave system peculiar to Greece. The economic and political characteristics of ancient Greece determined the fundamental characteristics of Greek art. The lively and free characteristics of Greek philosophy that Engels spoke highly of were also reflected in Greek art as a whole. If we make only a little comparison, we will find a tremendous difference between ancient Greek and ancient Oriental art. If we say that ancient Greek art embodies lively and free thinking and is to some extent "the emancipation of man," then the bronze art such as that in the slave era of China's Yin and Zhou Dynasties makes us see more about the oppression of man and feel more greatly the mystic force of terror from the monarchy. Extremely high skill is shown in China's bronze art and it has great esthetic value, but today, from the point of view of social ideology, China's bronze art undoubtedly reflects the characteristics of the slave system of Oriental oligarchic dictatorship.

We say that the bronze art of the Yin and Zhou Dynasties makes people feel oppressed and the mystic force of terror from the monarchy. This is a sharp contrast to the feeling of liveliness and freedom that is roused by ancient Greek art. In the final analysis, this difference originates in the economic and political differences between the two slave systems. We can be sure about this. In China, beginning in the Warring States Period, there was a clear change in the spirit reflected by the art. The previous feeling of mystic terror and the previous overelaborate, excessively decorative, and oppressive style began to be replaced by a relaxed and open style. In other words, in contrast, some liveliness and freedom can be felt. A simplistic historical comparison is often not appropriate, but it seems that the liveliness and freedom in thought that Engels spoke highly of did not begin to emerge until the Warring States Period. Changes in spirit reflect the changes in society and history. Without this historical materialist viewpoint it is impossible to understand the fundamental causes of spiritual phenomena including literature and art. It is also impossible to answer the question of why the features of literature and art vary as times vary, a question that was not answered until the emergence of historical materialism.

II

In some of Comrade Liu Zaifu's theses, he criticized the vulgar sociology and mechanical materialism that indeed exist in the field of literature and art. In his article entitled "On the Topics of Literature," Comrade Liu Zaifu criticized the mechanical materialist views concerning existence and consciousness, subject and object, and freedom and necessity, which indeed existed in our literature and art in the past. He was not unjustified in doing so. We should say that he saw the mistakes and shortcomings of our previous literature and art thought in this area. However, he failed to distinguish the mistakes and shortcomings of some people in explaining and applying Marxist viewpoints from the genuine viewpoints of Marxism. While negating our mistakes and shortcomings, he also negated Marxist viewpoints and methods concerning these matters.

At the very beginning of the first section of the thesis entitled "On the Topics of Literature," he said:

/"Man has a dual nature: passivity and activity. Objectively, as to his existence, man is passive. In other words, he is restricted by certain natural and social relations. As an acting and practicing man, he is active. In other words, in accordance with his own will and ability, he carries out creative deeds and dominates the external world. By stressing his nature, we actually stress man's activity, man's willpower, ability, and creativeness, man's strength, and the position and value of his nature in the movement of history."/

Undoubtedly, we can regard man as having the dual natures of passivity and activity. However, how can we separate man's "objective existence" from "man as acting man"? Is an objectively existing man not an acting man? Is an acting man not an objectively existing man? How can we ascribe man's "passivity" to "man as an objective existence" while ascribing "activity" to "acting man"? Isn't there activity in objectively existing man? Isn't there passivity in "acting man"? In other words, can "acting man" dominate the external world by his own willpower and ability without being restricted by certain natural and social relations? In fact, objectively existing man is also acting man and vice versa. This is the crux and core of Marxism that differs from all previous philosophies and theories about man. Man objectively exists as the subject of practice. Both passivity and activity are embodied in man who carries out practice, and they are realized in the course of practice. Talking about man's passivity and activity without including social practice means either a return to the perceptive theory of reflection upheld by mechanical materialism or a step toward subjective idealism. In his articles, Comrade Liu Zaifu repeatedly talked about "self-realization," "subjective nature," and "activity," but he overlooked the basis and precondition for his so-called "self-realization" or for his "acting man" to give play to his dynamic role as a subject.

People create their own history. None of the aspects of social life can be separated from man as the subject of history, and the history of society is the consequence of man's practice. However, man's practice, creation, and "self-realization" can never be boundlessly expanded when divorced from certain social and historical conditions. Compared with idealists, Marxists by no means affirm to a lesser extent the great significance of man's nature as a subject and man's activity but they definitely hold that it is under set conditions which people cannot choose at will whereby people create their own history. Of course, the set objective historical conditions that one generation of people are faced with are the consequence of the practice of the preceding generation. However, the practice of the preceding generation was carried out in light of the conditions that they were faced with and that were accumulated and left over by the generations before them. The historical practice of all the human race, including the practice of production, class struggles, and literature and art, is carried out in this way. Marx said:

/"What, after all, is society--whatever its form? It is the outcome of interaction. Can people choose a certain form of society at will? No, never."

/"People cannot choose their productive forces at will--this is the historical foundation for them. All productive forces are a kind of established force or the outcome of past activities."/

Precisely because of this, Marxists fully affirm the effect of literature and art on politics, economics and the whole of social life; affirm the dynamic role of art as the subject of creation; and also affirm the dynamic role of man in society as the object of reflection, that of readers as the ones who must accept what is presented, and that of critics. However, we should first affirm that there is no topic in "acting man" that transcends time, space, or social and historical conditions, nor is there any activity of "self-realization" used as a topic that unconditionally boundlessly expands. This holds for any aspect of social life including literature and art.

For literature and art, there is no absolute independence, only relative independence, and there is no absolutely independent history, only relatively independent history. It is also impossible for the esthetic characteristics of literature and art to be absolutely independent. Literature and art, its history, and its esthetic characteristics, in the final analysis can only be explained through certain social and economic relationships. In the final analysis, people pursue literature and art precisely in the same way as they pursue what they want in their lives. It deviates from Marxist materialism to regard the relationship between literature and art and economics and politics, and between literature and art and life, as "external laws," and to demand a return of literature and art to "its own esthetic characteristics."

Historical materialism regards economics as the final or ultimate decisive factor in all social life. Engels sometimes called it the ultimate motive. But neither Marx nor Engels ever held that economics was the only decisive factor in social life. While affirming the economy's decisive role in all social life, including spiritual life, Marx and Engels did not forget the significance of other factors, and they pointed out the interaction of various factors. In the French edition of "Das Kapital," which Marx personally proofread, he added an exposition that climate and the degree of land fertility were of great significance to both economic development and the development of people's minds and psyches. Marxist theory and methodology, which is, as Lenin said, "most integrated and profound and free from any defect of one-sidedness," have nothing in common with vulgar materialism, economic materialism, or the method of thought that upholds unidirectional linear causality. We should never judge Marxism in light of the criticism made by those who know little about Marxism and who painstakingly distort Marxism almost by way of caricature on the basis of assumptions or simply based on hearsay. We should review Lenin's instruction for us to study Marxism based on what Marx and Engels wrote. This instruction is not outdated. Many critics who have recently criticized Marxism lack basic knowledge about Marxism.

In order to know how the founders of Marxism actually analyzed matters of social life in an all-round and historical manner, we should go back to Marx' comparison between and analysis of ancient Greece and the capitalist era.

When Marx analyzed the prosperity of Greek art, he did not think that it was solely based on the level of development of the Greek economy then. As a matter of fact, the level of economic development of the era Marx lived in was not only much higher than that of ancient Greece, but was also higher than any time before. As opposed to the vulgar materialists who thought that the level of development of the productive forces could determine everything and could directly determine the level of the development of art, when Marx studied the relationships between art and politics and economics, he not only paid attention to the level of the development of the productive forces, but also always probed the nature and characteristics of the economic relationships in each era in order to know whether they were conducive or detrimental to man's spiritual development, and which of them were conducive and which were detrimental. By so doing, he deduced the following well known conclusion: Capitalism has opened up tremendous possibilities for the development of the human race's production. From a long-term historical point of view, this is conducive to the development of the art of the human race and to the development of the whole ideological sector. But capitalist economic relations and division of labor have turned people into slaves of the division of labor and accessories to machines. Capitalism is the enemy of certain production sectors such as art and poetry. Undoubtedly, ancient individual economy was narrow and had great limitations, but in its narrow and limited scope, it enabled people to display their initiative and creativeness--the strength of people's innermost essence. Precisely because of this, the small-scale peasant economy, no matter how small the scale, retains its poetic flavor, which can be described artistically. In the capitalist world, we only can see works such as Charles Spencer Chaplin's "Modern Times," but no genuine works of art that sing the praises of capitalist labor.

In the following passages, we can see that Marx' comparison between and analysis of the ancient world and the capitalist world are incomparably profound and thorough. Surely they can play a role in urging those who regard Marxist determinism as vulgar sociology and who adopt the ideology that upholds unidirectional linear causality to question themselves.

/"Among ancient people, wealth was not the goal of their production..."

/"Therefore, in contrast, ancient viewpoints are much nobler than those of the modern world. According to ancient points of view, man, however narrow his national, religious, or political definition, was ultimately reflected as the goal of production. In the modern world, production becomes man's goal, while wealth becomes the goal of production."

/"In the period of bourgeois economics and production which corresponds to the economy, the full display of man's internal essence finds expression in complete emptiness; the universal process of materialization finds expression in overall alienation; and the abolishment of all set and one-sided goals finds its expression in the practice of giving away one's own goals in pursuit of purely external goals. Therefore, on the one hand, the immature ancient world looks more lofty, but on the other hand, in terms of the people's arduous following of closed modes and forms and following of preset restrictions, the ancient world was indeed loftier. The ancient world provides satisfaction which can be regarded as such from its limited point of view, but the modern world provides no satisfaction. A place where self-satisfaction emerges in modern times is a vulgar place."/

We can see that the view that the development of the capitalist productive forces, including the development of the natural sciences and technology, can determine everything is still in vogue. In the cultural field, those who hold this view think that as the capitalist productive forces are highly developed, it follows that its literature and art is also. Therefore, as China is a country where small-scale production existed for a long time, surely its culture is destined to be backward. These people have a sense of inferiority in the face of Western countries and seem to think that their own nation has nothing good. They sometimes negate China's cultural traditions to such an extent as to entirely forget their own origins.

If we say that in his later years Engels sternly criticized the vulgar viewpoint that regarded economics as the only factor that determined social life and thought that this viewpoint was entirely out of tune with historical materialist viewpoints, then obviously the viewpoint we encounter that regards the productive forces as the only factor that determines social life (of course including literature and art) is even lower than what Engels criticized in his later years. However, those who now hold this viewpoint are often those who are actively criticizing vulgar sociology. They even confuse Marxism with real vulgar sociology and criticize it indiscriminately. They also criticize the ideology of unidirectional linear causality, but they often regard Marxist determinism and the Marxist theory on foundation and upper-structure as the ideology of unidirectional linear causality. What can we say about this practice?

Undoubtedly, Marxism has its own firm and consistent theoretical principles, but it is not a "closed system." According to Lenin's accurate exposition, Marxism is an inevitable outcome of the development of all the culture of the human race before it and is the genuine continuation and development of all the fine human cultural legacy before it. Marxism has nothing in common with any faction. It not only will not repudiate any past, current, or future valuable scientific thought of the human race, but it will actually use all valuable scientific ideas to enrich itself. This is the essential nature of Marxism as the greatest achievement of the development of human thought. Without this essential nature, Marxism would be bound to become rigid and wither away.

There are two aspects of the present problem. On the one hand, there are some conservative and narrow ideas which deny that Marxism should be pushed forward and developed in light of the new situation, new experiences, and new scientific and ideological achievements. On the other hand, there are some people who do not think that we should develop Marxism on the basis of Marxism and who even intend to substitute non-Marxist viewpoints for Marxism.

When some people publicize systematic ideology, they in fact explain systematic ideology by eclecticism. While reasonably affirming the necessity of studying things from many angles and at various levels, they regard as equal the factors of different levels which have different significance and roles owing to their different levels. For example, they regard political and economic factors that determine literature and art as of the same significance as other factors. This eclectic view does not facilitate understanding the essence of literature and art, only obscures it.

It is necessary to observe diverse levels of literature and art phenomena from diverse angles. In the past we had the shortcoming of mechanically seeking uniformity. While affirming the historical materialist viewpoints and while ascertaining that literature and art reflect politics and economics, we are often apt to overlook other factors that restrict the development of literature and art; for example, the factors such as writers and artists' personal psychological characteristics, experience, and education, ethnic characteristics, social psychology, tradition, and even geographical environment. All these factors have their influence on the development and features of literature; therefore, if we fail to estimate the influence of these factors, we will not be able to study literature in totality. None of these factors is isolated, and there is interaction between them and the economic foundation and interaction among themselves. However, we should not fail to see that the above factors are not of equal significance and do not play an equal role in the development of literature and art. In Engels' words, economics has a "final and dominant influence" over the whole superstructure, including literature and art.

Therefore, affirming that a particular work of literature or art is the reflection of particular politics and economics means grasping the basic fact and mastering the basic general law that governs the development and changes of literature and art. The essence of the historical materialist theory on ideology lies first of all in affirming this basic fact and this basic and general law. If we think that there should be different levels of the essence and laws of literature and art, then we should say that the essence and laws expounded by historical materialism are the highest level of the essence and laws of literature and art.

III

It seems that Comrade Liu Zaifu does not confine himself to general discussions on theoretical and methodological issues, and he applies his own theories and methods to observe history and reality. He has his own views and evaluations of the literary movement since the "4 May Movement" that introduced Marxism into China. It is precisely because of this that the nature of his literary theories and approach is demonstrated all the more clearly.

In his article "Introspection and Self-Transcendence in Literature," Comrade Liu Zaifu says:

/"The enthusiasm for introspection in literature has obviously surged into the realm of literature studies from the realm of literary creation in recent years, the realm of literary theory and criticism in particular. This has gradually become the introspection of literature students on literature itself, namely, a reexamination of the basic theories, concepts, and methods of thought of our literature over the past few decades."/

Comrade Liu Zaifu believes that a theoretical revolution is under way in China. In his own terms, it is a "positive readjustment" or a "positive design." Regarding the historical significance of such a "readjustment" or "design," he has the following evaluation: "This is another positive readjustment in the developmental process of China's new culture, and we can even say that it is a positive design for the modernization of China's culture." Why does he say "another"? This is because "it is the building of a new culture with a grand sweep, emerging for the first time in China since the 4 May Movement." Obviously, Comrade Liu Zaifu believes that the current "reexamination of the basic theories, concepts, and methods of thought of our literature over the past few decades" is another important ideological change since the "4 May Movement." But what are our "basic theories, concepts, and methods of thought"? Herein lies the crucial question, as well as possible disputes.

Since the "4 May Movement," the spread of Marxism in China and the combination of Marxism with China's revolutionary practice have gone on for more than half a century, and the Chinese revolution eventually succeeded over 3 decades ago. The victory of the Chinese revolution was the victory of Marxism in China, which is a fact that must be acknowledged. The revolution in China's culture and art since the "4 May Movement" emerged basically as a component part of the Chinese revolution. Therefore, when speaking of China's "basic theories, concepts, and methods of thought," we must primarily ascertain that they are Marxist "basic theories, concepts, and methods of thought." True, we have committed all kinds of mistakes, of which the majority were errors of a "leftist" dogmatic nature, including the errors of mechanical materialism and vulgar sociology. However, our history of culture and art thought is not just one of mistakes, and the same holds for our history of politics and political ideas. So long as we adopt an all-round historical and analytical attitude regarding our problems, we cannot but acknowledge that we have made grave mistakes in theory, guiding ideology, and in the field of literature and art. The effects of the mistakes are deep-rooted and should be thoroughly weeded out [qing li 3237 3810] continuously in a big way. However, we must also see that since the existence of the revolutionary literature and art movement, Marxist ideas have always been powerful in China. Even when erroneous ideas and lines held sway, Marxist "basic theories, concepts, and methods of thought" have not perished. On the contrary, they have been tempered, enriched, and developed under the most difficult conditions. The enemies of the Chinese revolution were unscrupulous in their suppression of Marxist ideas. Moreover, erroneous trends in the guiding ideology within the revolutionary literature and art front often occurred. It was precisely in the struggles against external enemies as well as by weathering the erroneous trends inside the revolutionary camp that China's Marxist thinkers stood the test and were tempered; hence, their staunch character. In culture and thought, Lu Xun is a typical example universally known.

To avoid a one-sided understanding and judgment, we must make a truth-seeking answer based on historical facts regarding the question of whether it is erroneous ideological trends or revolutionary Marxist thought with Lu Xun as the representative that has played a decisive role in China's revolutionary literature and art movement since the revolutionary literature movement came into existence. We must discover whether it is non-Marxist erroneous thought or revolutionary Marxist thought with Lu Xun as the representative that has been the guiding ideology for China's revolutionary literature and art movement.

The spread of Mao Zedong Thought on literature and art was greatly restricted in the KMT-ruled areas because of the separation between those areas under the revolutionary regime and the areas under KMT rule prior to the founding of the PRC. However, Mao Zedong Thought on literature and art is beyond doubt a more integrated summing-up of the historical experiences of China's revolutionary literature and art movement. It is the integration of Marxism with China's practice in literature and art at a high level. Despite some issues having gone through the practice and test of several decades, there are still different views on these issues and some shortcomings that need be overcome. But looking at it as a whole, Mao Zedong Thought on literature and art is China's Marxist thought on literature and art. In the past, we did have one-sided and oversimplified ways in the explanation and application of Mao Zedong Thought on literature and art, but these should be differentiated from Mao Zedong Thought itself. Mao Zedong Thought on literature and art should also be developed; however, such development should come under the premise of adherence to his basic ideology.

In order to sum up historical experiences and in order to avoid repetition of the erroneous trends for which we have paid dearly, it is necessary to "reexamine the basic theories, concepts, and methods of thought in our literature over the past few decades." But the question is how to conduct the "reexamination," and on what ideological basis should we conduct the "reexamination." For this question, Comrade Liu Zaifu has provided the following answer:

/"A formula of thought has taken shape in our literary criticism since the 1930's. Such a formula of thought is roughly the linear inertia of thought based on the vulgar theory of class struggle and the theory of reflection directly perceived through the senses. The referent system of observation is chiefly the political background. Of course, we cannot reject the political system as reference, but at the same time, the theory of reflection should be valued. However, it is far from enough to rely on only these two elements as the groundwork for thought. It will not be easy to overcome such inertia in thought. This is because such inertia in thought has taken shape over a long period of time. It has, to a great degree, become a subconsciousness of the collective."/

The statement that "a formula of thought has taken shape in our literary criticism since the 1930's; such a formula of thought is roughly the linear inertia of thought based on the vulgar theory of class struggle and the theory of reflection directly perceived through the senses" essentially means that the history of our thought in literature and art "since the 1930's" is "roughly" a history of mistakes. To pass such a judgment on our history is certainly not a minor issue, but one that will inevitably rouse the attention of every literature and art theoretical worker and every student of modern and contemporary literature. People who hold this view are few in number at present, but not by any means alone. It is not infrequent that we have heard such discussions that revolutionary literature went awry from the very beginning, or that the accomplishments of Chinese literature and art would have been greatly different had it not been for the period from 1928 to the fall of the "gang of four." According to such a view, the entire history of modern and contemporary Chinese literature should doubtlessly be rewritten. We may put the other comrades aside for the time being, but Comrade Liu Zaifu has also done research on Lu Xun and even written a treatise on Lu Xun's aethestic ideas. He should be familiar with Lu Xun's aethestic thought and thought on literature and art. Can we find anything in Lu Xun's ideology to prove that it is "the linear inertia of thought based on the vulgar theory of class struggle and the theory of reflection directly perceived through the senses"? Is it possible to nullify such an outstanding figure as Lu Xun, who has always played a guiding role in the development of modern Chinese literature from the "4 May Movement" until the day he died?

"The vulgar theory of class struggle" as mentioned by Comrade Liu Zaifu perhaps refers to the oversimplified way of dealing with the relationship between literature and class struggle. Such things did happen in the past and were even serious at times. When "reviewing and examining" and passing judgment on a history of no less than half a century, can we make the judgment roughly without taking into consideration Lu Xun's guiding role in the whole of revolutionary literature and art? Have we not witnessed that it is precisely Lu Xun who fiercely criticized the hypocritical concept of "art for art's sake," fiercely criticized bourgeois ideology that negated the class struggle in literature and art, and relentlessly criticized the "vulgar theory of class struggle" inside the camp of revolutionary literature and art not only in the 1930's but since the debate on revolutionary literature in the late 1920's? The highly effective struggles waged by Lu Xun powerfully pushed forward the healthy development of revolutionary literature and art. This point is known to everyone who cares about Lu Xun. How can we forget these explicit facts that have long been noted in history?

IV

The relationship between literature and art and politics and economics is one between reflection and the object of reflection and between form and content. So long as this point is acknowledged, there is no room for the existence of the theory of "external law." Of course, literature and art do not only reflect politics and economics, and neither do they directly reflect politics and economics. In this respect, we did suffer from the disasters of oversimplification in the past. Marked changes have begun only in recent years.

But now Comrade Liu Zaifu considers the relationship between literature and social life as some "external law" governing literature. Regarding such "aethestic characteristics" themselves which "reject" social life, people cannot help asking the question: What kind of aethestic characteristics can these be? The logic of things can only lead this view to the conclusion of seeking "pure form," "pure beauty," and "pure art," but not otherwise.

Life is the sole fountainhead of literature and art. This viewpoint is irrefutable. This every writer or artist can prove with his own experiences. Almost every promising writer or artist with some achievements in history is conscious of the fact that literature and art cannot be divorced from life. Therefore, writers and artists cannot learn from life and "nature." It is precisely because of this that people are surprised when Comrade Liu Zaifu regards the relationship between literature and social life as some "external law" which has no necessary connection with aethestic characteristics "themselves."

However, some people are negating the theory of reflection in literature and art. They are trying in every way to prove that the theory of reflection is negating the subjective initiative of the writer and that it is the mechanical imitation of life, like a mirror. Such censure is groundless. When we say literature and art should truthfully reflect realities, it does not mean that we are negating the subjective initiative of the writers and artists. The artistic reflection of life cannot but be the subjective reflection through the human brain as in all cases of ideological reflection. Any literature and art includes both the objective and the subjective aspects. The artistic truthfulness we refer to is not simply the truthfulness of life, but simultaneously includes the truthfulness of the thoughts, ideals, and passions of the writer or the artist. Had it not been for the failure in seeing the facts, he would not have regarded the application of Marxist theory on reflection to literature and art as the "theory of reflection directly perceived through the senses" or the theory of "mechanical reflection," as if the objective basis in artistic creation was diametrically opposed to the subjective factors and role of the writer and the artist. Neither would he have regarded such a basic and rudimentary question on the relationship between literature and social life as one of literature should truthfully reflect social life as the "external law" that governs literature.

Of course, it is rather complicated to have an overall understanding of the relationship between social life and literature and art in the course of social historical development, which is an important theoretical task for Marxism. Moreover, only Marxism is capable of its thorough fulfillment. In analyzing Lev Tolstoy, Lenin generalized the Marxist view on this issue: "If what we have seen is a genuinely great artist, he will certainly reflect some essential aspects of the revolution in his works." When Lenin made the above statement, he was aiming at the preparatory period of the Russian Revolution and his own times, the times when the proletarian revolution was arriving. Of course, we should not apply this statement rigidly to any historical period, but Lenin's discussion has important significance for methodology. Any great writer must reflect some essential aspects of the social life of his times, and the significance and role of any writer in history are chiefly determined by what he reflects regarding social life, how he does it, and how his works conform to the nature of social life. Neither should we deviate from this basic fact in isolated discussion of aethestic characteristics, away from the relationship between literature and art and social life. True, aethestic characteristics have their own relatively independent laws that have taken shape over a long period of time, but they cannot exist independently. The exploration and study of aethestic characteristics entirely removed from their connections with politics, economics, and social life will eventually lead to an impasse.

We can prove this even when we limit ourselves to citing the changes and development in the prototypes in literature. Today we can all see that in literature, modern narrative literature in particular, the creation of prototypes has more and more become the key question. Achievements in narrative literature depend chiefly on whether it has provided us with some typical characters and what typical characters it has provided us. A great and outstanding writer truthfully reflects the essentials and characteristics of his times through the prototypes he creates. Otherwise he will not be considered a great and outstanding writer, and the characters he has created will not be prototypes of a very high level. Since modern times, this law has become all the more obvious. Even if we go back to the Renaissance, the typical characters which world literature has provided us have demonstrated that the relationship between literature and social life is becoming closer and closer. Engels' theory on typical characters in a typical environment is the result of summing up the artistic experiences since the Renaissance, the artistic experiences of his times in particular.

How can we talk about the aethestic characteristics of literature deviating from the basic concept that literature is the reflection, even the essential reflection, of social life? Of course, it is impossible to understand Engels' concept on prototypes if we deviate from the above basic concept. Engels precisely proceeded from the characteristics and tasks of literature itself in dealing with this issue, in other words, proceeding from the question of literature reflecting people and typical characters. However, the people and prototypes in his understanding were not abstract and out of touch with social life, but specific people showing specific social relations. Human nature will change with the essential changes in social relations and social historical forces, and neither will people's aethestic concepts and aethestic characteristics remain unchanged.

Engels regarded the Renaissance as "the greatest and most progressive change unprecedented in the history of mankind." Since then, all European countries have successively gone through the course of turning everything upside down and making rearrangements. Capitalism has basically eliminated the medieval tranquility, compelling people to soberly think about the changes around them in the course of the unprecedentedly tremendous historical change from the very beginning of capitalism to the establishment of its reign. It is neither the general characteristics of feudalism or capitalism nor general, superficial historical events, but profound historical changes mirrored in people's spiritual changes in particular that basically account for the emergence of many important prototypes since the Renaissance.

We have such typical characters as Don Quixote, Hamlet, Faust, Anna Karenina, Levin, Nekhlyudov, and the many prototypes of the "superfluous person" emerging in 19th century Russian literature. In China, it all began with "Dream of the Red Chamber." The relationship between such prototypes as Jia Baoyu and Ah Q and history, like the above prototypes in European literature, was either the reflection of the period of a great historical change in different societies or a great historical turning point or a great transitional period in history. We have grounds to say: Since the Renaissance, modern times in particular, literature has had a more and more profound connection with reality than the literature in the past, and the chief manifestation is the more and more profound, historical, and specific reflection of the life of its times.

It is precisely since the Renaissance, modern times in particular, that a more definite implication is given to a typical character in a typical environment. Engels explicitly said that it was not enough to portray characters as did ancient writers. He praised Shakespeare highly in particular. Engels' discussion on realism was chiefly the summation of the accomplishments of literary practice since the Renaissance, modern times in particular.

Linking with the tradition of realism in China's classical literature, we can also see that despite the fact that many prototypes with distinctive individualistic character universally known are created in "The Water Margin," which are the prototypes at the height of peasant wars in China's feudal age, it is still very difficult to explicitly point out the specific historical connection of these prototypes in the long-term feudal society. It is quite a different case with Jia Baoyu, as the character and characteristics of this figure are the ideological embryo of the modern theory of human nature and humanism, and the contradiction between his democratic and feudal nature. These precisely reflect the changes brought about by capitalism in the womb of its Chinese mother. If this figure is not studied in this line, it will be very difficult to understand his nature. "Born with a silver spoon in his mouth, he did not want to work in contentment; then, reduced to poverty, he found it hard to bear desolation." This precisely reflects that this figure is not the loyal son of the class he was born into. However, it is precisely because the new social historical forces were still too weak a factor that it was impossible for him to change qualitatively from his class background into a new type of character with the ability to blaze new trails.

The changes in history have brought about changes in literature. Lu Xun discerned this sensitively, and was the first to point out the reformative significance in Cao Xueqin's work. From Lenin's analysis of Lev Tolstoy, we can clearly see the characteristic of the methodology of Marxist study in literature and art. This characteristic lies precisely in the historical concreteness in observing the problems. If we say that in discussing Balzac, Engels explicitly pointed out that the historical period reflected in Balzac's works was the period of restoration and the July monarchy between 1816 and 1848 in the history of France, then when Lenin was discussing Tolstoy, he adopted the same view of historical concreteness in observing this great Russian writer. Lenin further proposes that it was necessary to analyze this great Russian writer from the viewpoint of the nature and motivating force of the Russian revolution.

In Lenin's analysis, the Russia in preparation for the revolution between 1861 and 1904 was the typical historical environment of Tolstoy's characters, Anna Karenina, Levin, as well as Nekhlyudov. Of course, these characters grew up in different and specific environments; hence, different prototypes, each having his or her own individuality and mentality. However, no matter how great the differences these prototypes have, they are all stamped with the brand of the typical historical environment between 1861 and 1904. If it were not so, it would not have been possible for us to see the historical concreteness even if these characters have some typicality, and they would not have become typical characters in a typical environment, as Engels required.

There is an internal link between Engels' requirement for and definition of realism, and Marxist historical concepts. The realism he required was a high-level realism. The proposal of typical characters in a typical historical environment is precisely to make literature not only keep in contact with realities, but to concretely and historically reflect realities in the developmental process of realities. If we say that the most famous European writers proved in their artistic practice the historical development of realism since the Renaissance, modern times in particular, then in summing up this historical experience, Engels hoped to continue to push forward such experiences. After Engels, it was Lenin that continued to push forward such experience through his discussion on Lev Tolstoy.

All this cannot but lead to our conclusion that deviating from historical materialism, the political and economic conditions of a specific time, and realities, no explanations whatever conforming to the law that governs the nature of things can be given to any important phenomenon of literature and art, and there would be disregard for the general reflection of social life. Likewise, to discuss aethestic characteristics by deviating from the political and economic conditions of a specific time, realities, or the rudimentary concept that literature and art is the reflection of life, is a "return" to the study of literature "itself." Where will this lead the study of literature and art?

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It is time to come to a close of this article. In conclusion, I should like to say something about my own impressions: Many people are talking about "renovating the concept of literature" at present, but the question under what ideological guidance or on what ideological basis should the renovation be conducted has rarely been touched upon. This is precisely the crux of the question. Marxism needs to be developed. Marxist theory is one with development. The practice of staying in a rut, rigidly sticking to the individual conclusions or phrases of Marx, Engels, Lenin, and Mao Zedong, and the mediocrity of not daring to propose what they did not say and laws which they did not discover should be eradicated. However, we should also see that a correct direction for renovating the concept of literature is possible only under the ideological guidance of Marxism or on the ideological basis of Marxism. However, there really are a small number of people who disregard and even depreciate Marxist tenets under the pretext of "developing" Marxism or "renovating the concept of literature." This is by no means a small matter, but a question that concerns the fate of Marxism in China and the fate of socialist literature and art in China. Therefore, in the spirit of letting a hundred schools of thought contend, I have proposed my own views on some of Comrade Liu Zaifu's viewpoints on literature and art as a discussion with Comrade Liu Zaifu and the theoretical workers of literature and art.

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WE SHOULD NOT TAKE A LAISSEZ-FAIRE ATTITUDE TOWARD SUPERSTITIOUS ACTIVITIES

Beijing RED FLAG in Chinese No 8, 16 Apr 86 pp 33-34

[Article by Shi Youxin [2457 0645 2946]]

[Text] In recent years, superstitious activities have arisen in some cities and towns, and in some rural areas in particular. In some rural areas, money is raised and people are organized to build temples in every village. In many localities, witches and wizards often cheat people. In some localities, people even spend days and several thousand yuan participating in the so-called "matches to welcome deities" and "activities to offer sacrifices to ancestors." Superstitious habits such as performing Buddhist rites, holding large-scale funerals, practicing geomancy, and fortune telling can be seen in many places. These tendencies also find support among some party members, cadres, and young people. Not only do these activities affect our production and livelihood, they also corrupt people's minds, ruin social values, harm stability and unity, hamper economic reform, and are detrimental to both material and spiritual civilization.

We are now in the 1980's, but why are these superstitious activities so rampant in some localities? Chinese feudal society lasted a long time. As old ideological vestiges, superstitious ideas cannot be eliminated in a short time; they will obstinately manifest themselves. All these, naturally, are reasons superstitious activities are so rampant. But the main reason is that some party members and cadres, including leading cadres at the basic levels, overlook spiritual civilization and ideological and political work while engaging in material civilization, lack correct understanding of the problem concerning superstition, and take a laissez-faire attitude toward superstitious activities.

Their wrong understanding of and mistaken attitude toward superstitious activities result from the following three views: The view that maintains that it is not necessary to interfere, the view that maintains that there is no way to interfere, and the view that maintains that it is useless to interfere.

Why do they say it is not necessary to interfere? They hold that since superstition is a manifestion of "poverty" and "foolishness," it will naturally disappear when the people's material and cultural life has improved following the development of production. This view is, at best, one-sided. It is true that we cannot say that "poverty" and "foolishness" have nothing to do with superstition. However, the latter is not necessarily a product of the former. On the contrary, superstition makes people foolish and poor.

Apart from being unable to guide people in applying policies and scientific methods as well as in opening up all avenues to prosperity, superstition makes people believe in fate and deities and pray before the god of wealth for prosperity. In remote mountainous areas, some people raised money to build temples regardless of the fact that they did not even have enough food and clothing. They even changed primary schools into temples and moved Buddhist idols into them. Some villagers do not expand production after a good harvest but use their money to worship heaven instead. If this is allowed to continue, how can we improve the people's material and cultural life? How can we change the situation of "poverty" and "foolishness" in these areas? It is true that the development of production and the improvement of material and cultural life constitute an important condition for eliminating superstition, but superstition will not vanish by itself under this condition. Specialized households in the rural areas that have high income or people with certain cultural knowledge do not believe in deities or ghosts, not to mention rich men and learned people in the past.

It was reported that in a city, when someone dies, sofas, a wardrobe, a television set, a washing machine, and other modern life necessities--all made of paper--are burned at his funeral ceremony, apart from making a bier and paper horses and burning paper money and pillows. From this we know that like all other decadent things, superstition will not vanish by itself if it is not swept away. Doing away with superstition and stopping superstitious activities is an important component of spiritual civilization and ideological and political work. It is also our regular task. Party members and cadres must not take a laissez-faire attitude toward it.

Do we not advocate freedom of belief? Since going in for superstition does not violate the law, how can we interfere? This is the reason for saying that there is no way to interfere. This suggests that the one who says so lacks legal knowledge. In China, no policy or law refers to abstract freedom of belief. The state Constitution only provides that all citizens enjoy freedom of belief. It does not stipulate that they have the freedom to engage in superstition. Rural policies have been relaxed following the development of reforms, but these policies have not been relaxed to such an extent that people can carry out superstitious activities. Some people have spread the rumor that "since the policy has been relaxed, there should be room for deities to stay in when they come back." This should be refuted. There is no such thing as relaxing the policy toward feudal superstition. Chinese law stipulated that citizens enjoy freedom to believe in religion and freedom not to believe in religion. Buddhism, Taoism, Islam, Catholicism, and Christianity are the major religions in China.

According to the traditions and habits of different religions, religious believers can engage in normal religious activities such as worshipping Buddha, chanting scriptures, burning joss sticks, performing religious service, saying prayers, preaching sermons, hearing mass, having baptisms, being initiated into monkhood or nunhood, adopting a vegetarian diet, holding religious festivals, and reminiscing in temples, mosques, and churches, or at home. All this is protected by the law. But building tiny temples housing the village god, asking deities to drive away pestilence and sickness, worshipping heaven for rain, and fortune telling, which have arisen in recent years, are all restoration of feudal superstition and the feudal patriarchal clan system and have therefore gone beyond the scope of religious belief.

They are different from normal religious activities. They must be stopped and forbidden. Those who cheat people through superstitious activities, who set up superstitious activities, and who refuse to accept persuasion and repeated education must be resolutely deal with under the law. How can we indiscriminately say that going in for superstition does not violate the law?

Some people say that it is useless to interfere as superstitious activities have a mass basis. This viewpoint does not hold water. We do not deny the fact that superstitious ideas have a mass basis. But viewed from the overall situation, those who engage in superstitious activities account for only a small percentage among the masses.

Even in localities in which superstitious activities are very serious, only a small number of people go in for superstition. Many of them just follow what others do and are forced to donate money for superstitious activities. In some localities, some people engage in large-scale superstitious activities for the dead, costing a lot of money. The masses are very dissatisfied with this, saying "it is too costly to die." The fact that superstitious ideas have a mass basis suggests the complexity and arduousness of doing away with superstition; it does not indicate that it is useless to interfere in superstitious activities. Not to interfere means not respecting the masses but following behind a small number of backward people; to interfere means having faith in the masses and corresponds with the masses' fundamental interests. Whether our interference is of much use depends on how we interfere. It is very important to interfere under the law. We must differentiate between problems concerning ideological understanding and criminal problems. Crimes and criminals must be dealt with by judicial departments according to legal procedures. Maltreatment of crimes and criminals is in itself an act violating the law. Those who have superstitious ideas or take part in superstitious activities should be given persuasion and education so that they understand their mistakes. The methods of repudiating, punishing, fining, and detaining are not recommendable.

Half a century ago, Comrade Mao Zedong said that the Communist Party's propagation policy on the question of superstition should be one of "drawing the bow without discharging the arrow just to indicate the motions." Before and after the Spring Festival, in coordination with party rectification, efforts were made in some villages to reach unanimity of understanding among party members and cadres. Typical examples were given and the deceptive nature of superstitious activities was exposed. The masses were educated in policies, the legal system, dialectical materialism, and historical materialism.

This produced good results. With the enhancement of their consciousness, some people began to pull down tiny temples housing the village god which had been built with their own money. This suggests that marked results can be achieved so long as we are determined to interfere in superstitious activities in an effective manner.

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PAY ATTENTION TO NEW TRENDS IN CHANGES IN THE INTERNATIONAL MARKET

Beijing RED FLAG in Chinese No 8, 16 Apr 86 pp 35-37

[Article by Wu Jikun [0702 7139 0981] and Chen Dongsheng [7115 2639 0581]]

[Text] With the gigantic progress of science and technology and the rapid development in the world economy since World War II, world trade has grown by a large margin. The entire world trade volume rose from $61 billion to $1,190 billion between 1950 and 1985. The growth rate of the world trade volume has always been higher than that of the world economy, with the exception of individual years. Meanwhile, some new trends have emerged in the international market that are worthy of note and study.

I

The proportion of finished products in trade has grown in the international market, while that of primary products has shrunk with each passing day. In the 1950's, the proportions of finished products and primary products in world trade were 50 and 50. Now the proportion of finished products has risen to 62 percent. Taking into consideration factors in the soaring of oil prices in 1973 and 1979, the shrink in the proportion of primary products is still greater. Based on a forecast of the World Bank's 1984 annual report, the average growth rate of the world's export of finished products will be between 7.5 and 9.7 percent in the next decade, while the average growth rate of the world's export of primary products will maintain between 2.1 and 3.4 percent. With the worldwide readjustment in the production mix and the accelerated international flow of technologies and capital resulting from technological revolution, the export of finished products of some developing nations has increased rather quickly, with an average annual increase rate of 25.4 percent, exceeding the developed nations by 17 percent.

The recent decade has seen a rapid development of high-tech products in the world market. Regarding electronic products which represent high technology, the output value of this category of products in the world was close to $500 billion in 1984, and its export was $122.3 billion. The export volume grew by 85 percent from 1979, when the world trade volume during the same period rose by only 17 percent.

The vigorous development of high-tech products does not mean the decline of traditional manufactured products. Traditional manufactured products are still indispensable in the realms of production and consumption, and will be revitalized through the transformation of high technology. A Belgian textile machine building enterprise produces 10,000 sets of textile machines of various descriptions on an annual basis, 90 percent of which is for export. The enterprise in question suffered from deficits in consecutive years a few years back. In 1984, it decided to spend more than 70 million Belgian francs on technical renovation, equipping the production lines with electronic computers, and its new product, a microprocessing shuttle-free loom, was introduced. As a result, the sales volume sharply increased and the enterprise made a profit of 79.8 million Belgian francs the very same year. We can see that the market of traditional industry can still be expanded when great economic vitality is given play through technical transformation.

The trade in technologies including patented technologies and the right to use certain technical know-how is getting more and more active in world trade, and the trade volume has markedly expanded. According to UN statistics, technology trade volume was only more than $3 billion in 1965, and it rose to $50 billion in 1985. Between 1975 and 1984, the average annual growth rate of technology trade was 16.3 percent, when the average annual growth rate of world trade in the same period was only 9.1 percent, with the former greater by 1.8-fold than the latter. With the rapid development of science and development and the further internationalization of the research and development of science and technology, it is expected that the development of world trade in technologies will be still more rapid, with an expected trade volume of $260 billion by 1995.

The major market of technology trade is still between developed nations. Particularly, transnational corporations of developed nations are monopolizing international trade in high technology, and their trade volume accounts for 80 percent of the world trade in high technologies. Worthy of note is the fact that the general technologies of some new-rising industrialized nations have rather strong competitive power. The advantages of specialized technologies are given full play on the basis of in-depth professional division of labor in many medium and small-type enterprises of Western countries, those in Western Europe in particular. They are an important force of world trade in technologies.

The consumers in Western developed nations have set higher requirements on commodities and the rise in social labor productivity and their living standards. They attach attention to not only the quality, function, usage, and appearance of commodities but also their continuous renewal. And the hygienic requirements for foodstuffs tend to be still stricter. Consumer goods of everyday use, such as textile products and garments, tend to be more individualistic and used once only. Television sets, video recorders, hi-fi sets, cameras, watches, sewing machines, and family electronic computers will develop in line with high quality, high precision, and sophistication, as well as multiple functions and being miniaturized and much lighter in weight. And toys tend to become lifelike and intelligent.

With the development, application, and competition of new technologies intensifying, the upgrading and replacement of commodities in the international market are extraordinarily fast, and their life cycle from good marketing to replacement has markedly shortened. Pierre Mauroy, former French premier, wrote in LE MONDE: "We must soberly see that one-third of the manufactured products today did not exist a decade ago; it is estimated that 40 percent of the commodities in the market 5 years from now do not exist today." We can say that continuous renovation is the decisive factor for occupying the market; those sticking to old ways will inevitably be replaced in the market.

II

In the past, prices for industrial raw materials invariably rose in the world market with the economic recovery and reinvigoration following every economic crisis. However, after the crisis between 1979 and 1982, the prices for industrial raw materials in the world market have not fluctuated with the economic cycle. In 1984, an upward trend emerged in the Western economy, the U.S. economy in particular; however, prices for industrial raw materials continued to drop. Prices for primary products dropped by 15 percent in 1984 from 1981, the year still in the economic crisis. And the falling trend has continued so far. One of the important reasons lies in the fact that social economic development chiefly depended on a huge amount of capital and natural resources as well as the absorption of a huge amount of labor forces in the past, but the development of modern economy relies more on knowledge and new technologies as a driving force. The phenomenon of supply exceeding demand in products of a raw material nature and labor forces of a long-term structural nature has appeared. Based on the 1984 OECD statistics, for the increase of every 100 points in the GNP of its member nations, the volume of steel consumption dropped by 37 percent from 1974, copper consumption dropped by 20 percent, energy resources consumption dropped by 30 percent in the 1970's, and oil consumption dropped by 40 percent. Such a trend of economizing will further strengthen the invention of cheap substitutes and rational development of production. Such changes have deeply affected the prices for primary products of a raw material nature. Generally speaking, the prices for primary products of a raw material nature in the world market tend to be weakened in the near and intermediate future, with the factor of inflation taken into consideration.

At the same time, the monopoly of developed nations in high-tech products and the formation of monopolized prices for high-tech products have widened the price gap between primary and high-tech products. At present, the competition between developed nations is focally shown in high technology and the most advanced branch of technology. Because of the tremendous investment involved in developing new technologies, they are often concentrated in some monopoly enterprises, transnational corporations in particular. They adopt strict monopolized measures on some products of the most advanced branch of technology, in order to maintain their monopolized prices for gigantic profits. Only such such monopoly is broken and the products put into mass production, or when a new generation of products appears, their prices will drop by a large margin.

It is also necessary to see that the essentials of commodity competition in the international market have undergone some changes. The competitive power of the products (chiefly finished products) of various countries in the international market depend more and more on the volume of intelligence in their products, and price difference has become secondary. This new characteristic has become more and more conspicuous in the international commodity market in the recent decade, and many countries have attached importance to this. Therefore, some people have summed up the competition in the international market today as one of talented people. Big corporations in Western developed countries such as the United States spare no expense to invite the service of talented people of the most advanced branches of science and technology from all over the world. Behind the scenes of commodity competition in the international market today is fierce competition for talented people. Whoever gets the most excellent scientists and engineers and is able to bring their roles into full play will have the upper hand in the international market.

III

The mutual exchanges and infiltration in economy, trade, science and technology, and culture between all regions in the world are becoming greater in depth with the development of modern science and technology. At the same time, because of the imbalance in the development of science, technology, and economy between all countries, the imbalance and development of multilayers of the world market are markedly shown. The market of industrially developed nations will continue to focus on high-grade, precision, and advanced products, but most of these products are to be absorbed in the home market, with only some of the low-grade products marketed in the developing nations. The developed nations have also transferred some of their traditional industries to some new-rising industrialized nations. Because of the shortage in natural resources in many developed nations and high production cost, they are also the major market for the world's primary products and ordinary finished products, and the proportion of imported finished products is increasing markedly. Generally speaking, the major market of world trade is still concentrated in the Western industrially developed countries. In 1984, their trade volume accounted for 62 percent of the entire world trade volume, when the developing countries accounted for only 25 percent.

Worthy of note in the world's regional trade structure is the rapid development of the South-South trade of developing nations in recent years. A multilayer structure of the industries and markets of developing nations has also emerged with their own economic development and the imbalance in their economic development. Through readjustment of their product mix, some new-rising industrialized nations are in the transition from labor intensive type to technology and intelligence intensive type of product mix. In their export structure, the proportions of electronics and heavy chemical products have markedly increased. Such imbalanced development has expanded the realm in supplying each other's needs in production and the market between developing nations. In policy, developing nations have strengthened bilateral or multilateral cooperation in economy and trade, and more than 30 regional economic cooperative organizations had been set up among developing nations by 1984, within which tariffs are reduced or exempted, and even free trade zones are set up to promote the development of internal trade within these organizations. Between 1973 and 1984, the trade volume between developing nations grew from $22 billion to $133 billion, with an average annual growth rate of about 17.8 percent, exceeding the average annual growth rate of 11.6 percent of world trade. The proportion of trade between developing nations in their total export volume rose from 20 percent in 1973 to 28 percent in 1984. And the proportion of import from developed nations in their total import volume dropped to 58 percent from 67 percent during the same period. Remarkable changes have also taken place in the commodity structure in South-South trade. Between 1970 and 1982, the proportion of foodstuffs and agricultural raw materials in their export volume dropped from 33 percent to 15 percent, when the proportion of manufactured goods export went up by a large margin, of which the proportion of machinery and transportation equipment export went up even faster. Many developing nations have made use of their own advantages, making investments in enterprises in other countries, or unfolding wide cooperation in production, capital, technology, or labor service. We must attach close attention to such trends of development.

Mastering the developing trend of the international market plays a decisive role in developing foreign trade. Many Western developed countries and some new-rising industrialized nations have attached great importance to investigation and research on the international market in order to expand their overseas market. Meanwhile, changes in the international market demonstrate the developing trends of the world economy and science and technology; hence, the ground for technical renovation of enterprises. In the future decade, the progress of science and technology and the imbalance in the development of world economy, and changes in the international market will be all the more rapid and complicated, and the competition will tend to be more intensified. At present, China's domestic and overseas markets are still in a state of separation to some extent. Often people do not directly feel about the changes in the overseas market, and they are slow in response to them. Moreover, some structural problems existing have impeded our flexible and quick response to the changes in the overseas market. Therefore, strengthening the investigation and research of the international market is an urgent strategic task. Thousands of our foreign trade workers at the forefront should pay attention to the investigation and research on the market and pass on the information learned on the changes of the market to production departments, so that our export products may be marketable and more foreign exchange will be earned. At the same time, relevant departments should pay attention to summing up the information, making sure of the developing trend of the market, in order to draw up intermediate and long-term developing strategies for the international market.

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THE SYSTEM OF 9 YEARS OF COMPULSORY EDUCATION IN THE RURAL AREAS SHOULD BE INTEGRATED WITH VOCATIONAL AND TECHNICAL EDUCATION

Beijing RED FLAG in Chinese No 8, 16 Apr 86 pp 38-39

[Article by Dong Kegong [5516 0344 1872]; first paragraph is RED FLAG introduction]

[Text] Editor's note: How rural middle school and primary school education is to accord with the needs of the rural areas and the development of agricultural production is an important question. For a long period, this question has not been well resolved. Comrade Dong Kegong, while participating in the work of the central lecture group, has carried out investigative research into the rural education situation, proposed his own ideas, and submitted his manuscript to this magazine. We feel that this question is worthy of further investigation by the comrades in educational circles in accordance with the spirit of the "Decision of the CPC Central Committee on the Reform of the Educational System."

The implementation of the system of 9 years of compulsory education is a key issue in the rural areas. However, the key question in whether or not it is possible to implement the system of 9 years of compulsory education lies in whether or not we grasp well vocational and technical education, especially vocational and technical education at the lower middle school level. Only by integrating the system of 9 years of compulsory education with vocational and technical education will it be possible to guarantee the implementation of this work.

In the villages of our nation, we cannot say that there are no children who are unable to go to school. However, there are a great number who are able but unwilling to attend school. Why has this situation occurred? In the children's words: "Study is of no use." This "no use" has two levels of meaning: First, if one takes the road of study and going on to higher schools, then one will study in primary school, proceed to middle school, and then go on to university. Traveling this road, especially that from middle school to university, is very difficult even for urban children. It is even more difficult for rural children. If we compare rural education with urban education, we see that the teaching and other study conditions are poorer. Also, because the children have much farm work to do and work to do for their families, the area of knowledge taught is not as broad. If one wishes to continue studying but cannot, is this not "no use"? The second level of the "no use" referred to is that if the students are unable to enter university, the knowledge they have gained in primary and middle school will be of no use. After the lecture group, in which I participated, came to Anhui, we were allocated to a teachers college in the suburbs of Bengbu. We once went to the most beautiful house in a nearby village to make a visit. We discovered a 24-year-old woman who had never been to school and a 16-year-old girl who had studied to third grade in primary school. We asked them why. They said said that study was of no use. Thus, they simply did not study or, because farm life was busy, did not attend classes. However, this family had raised chickens the previous year and when chicken pests broke out, no one knew what to do. It can be seen that it is not that there is no need to study, but rather a question of what to study. It is not that study has no use, but rather the use depends on what is studied.

Is there any way to change this situation? Putting great efforts into developing vocational and technical education in the rural areas is not only a strategic measure, but is also a breakthrough point. After rural children finish primary school, apart from a number who will proceed to ordinary middle school, the remainder will go to the junior middle school stage in vocational and technical schools. At the same time as studying cultural knowledge, they will have to study practical technology and master certain labor skills; for example, planting, animal raising, the processing of agricultural and sideline products, the use and repair of simple machines, and so on. In this way, after they graduate, the knowledge they will have gained through study can be used in various operational activities when they return to their villages. How can they not be happy studying such things? Also, in normal middle schools we should establish certain technological education classes. After students graduate, even if they cannot go on to a higher level of schooling, they will be able to find a "scope for their abilities" in the villages. From this we can see that in the villages, only if we greatly develop vocational and technical education and integrate vocational and technical education with the system of 9 years of compulsory education will we be able to change the present situation where children are unwilling to study. It will also be of benefit to the implementation of the program of 9 years of compulsory education.

When the question of developing vocational and technical education is raised, people say that there are three headaches: 1) teachers; 2) conditions; and 3) opportunities.

The question of teachers is clearly difficult. It is difficult because in the past there was basically no thought given to fully using the scientific and technological strengths of the rural areas. There was even less thought given to training teaching staff for vocational and technical schools. If we unite rural scientific and technical organizations with vocational and technical education, then the rural scientific and technical personnel can also serve as teachers, and they can engage in both scientific and technical work and educational work. Thus, by arranging classes for, training, and tempering and strengthening the rural scientific and technical contingents, they will be able to establish a network of rural scientific and technical contingents and complete the tasks of propagating and demonstrating scientific and technical achievements. In addition, those schools and departments which are currently mainly involved in practical science can also take on the task of training middle school teachers for vocational and technical schools. By fully utilizing existing strengths and strengthening, fostering, and training, I feel that the teacher problem in rural vocational and technical education can be gradually resolved.

In the development of rural vocational and technical education, the existing school conditions are clearly poor. First, they have no base. Second, they have no funds. Third, they have no equipment. The list continues. However, if we are willing to use our brains and suit measures to local conditions, the difficulties can be gradually overcome. In addition, we should also recognize that as vocational and technical education is closely linked with the personal interests of the masses, we must have the peasants' voluntary and wholehearted support. At the same time, as teachers in vocational and technical schools will be closely linked to reality, it will be possible to obtain a certain economic income. This will continually promote its own development. We can also use the educational facilities of existing ordinary middle schools to develop vocational and technical education.

As for the problem of opportunities after students graduate from vocational and technical schools, in the rural areas it is not a question of whether or not they can find employment, but one of whether or not they can use the knowledge they have learned. Only if students gain skills in the school will it be possible to have development and results in all places. In the future it may be possible to gradually institute tests for certain specialized knowledge and skills for the students who wish to enter those tertiary or specialized middle schools which stress practical technology. These will be much like the drawing tests taken by students who wish to enter an art school. In this way it will create conditions by which students who have graduated from the various types of vocational and technical schools can continue their studies, and it will also be of benefit in raising the basic standard of these schools' students.

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COMBINE THE STUDY OF BASIC THEORIES WITH THAT OF GUIDING PRINCIPLES AND POLICIES

Beijing RED FLAG in Chinese No 8, 16 Apr 86 pp 40-44

[Article by Liu Qingze [0491 1987 3419]]

[Text] The historical task of building socialism with Chinese characteristics urgently demands that cadres exert their efforts to study and master basic Marxist theories in light of the new realities, and enhance their capability to understand and implement the party's guiding principles and policies. This also demands that we correctly understand the relationship between the study of basic Marxist theories with the study of the party's basic principles and policies. They should be integrated into an organic whole. The method of one-sidedly emphasizing one aspect at the expense of the other is harmful to the enhancement of our cadres' theoretical level and the level of their understanding of policy, and the improvement of their political quality.

Basic Marxist Theories Are the Basis of the Party's Guiding Principles and Policies

Some comrades pay more attention to the study of the party's guiding principles and policies, but neglect the study of basic theories. This is because they do not completely understand the guiding role of basic Marxist theories over the party's guiding principles and policies.

Basic Marxist theories form a strict and complete system which includes three component parts: Marxist philosophy, political economy, and scientific socialism. This scientific system has provided us with a fundamental stand, viewpoints, and methods. All correct lines and guiding principles and policies of our party are formulated under the guidance of the basic Marxist theories. The basic Marxist theories are the guiding ideology of the various guiding principles and policies of our party.

First, basic Marxist theories point out the general aims and chart the orientation for correctly formulating the party's guiding principles and policies. Guiding principles and policies themselves are not the aim of revolution and construction. They are the means for attaining the aim of revolution and construction. They should be subordinated to the general orientation of construction and revolution. To solve the problem of the aim and orientation of revolution and construction, we should rely on the guidance of basic Marxist theories. Mastering basic Marxist theories will enable communists to understand the objective laws governing the development of human society; the conditions, process and general result of the emancipation campaign of the proletariat; to correctly grasp the situation, the changes in class relations, and the relative strength of classes; to correctly handle relations between immediate interests and long-term interests on the one hand, and relations between partial interests and overall interests on the other; and to work out correct strategies, tactics, guiding principles, and policies. The basic Marxist theories tell us that the development of human society is a natural historical process, and that socialism will inevitably replace capitalism, and that all mankind will eventually enter communist society. All these are objective laws independent of man's will. The historical mission of the proletarian revolutionary political parties is to comply with such objective laws by organizing the people to carry out revolution and construction to promote the advance of the society and history. After seizing state power and establishing the socialist system, under the prerequisite of upholding the socialist road, proletarian dictatorship, the leadership of the Communist Party and the guidance of Marxism, the proletariat should vigorously develop social productive forces, promote the building of a high level of socialist material civilization and spiritual civilization, enhance the level of people's material and cultural life, and prepare conditions for the transition to communism in the future. During the new period of building socialism, all guiding principles and policies of our party should be based on these basic principles, and serve the general aim of realizing socialism. The guiding principles and policies implemented since the 3d Plenary Session of the 11th CPC Central Committee have fully reflected all this. Just as Comrade Deng Xiaoping has pointed out: "The policies we have implemented in various aspects are for developing socialism and realizing communism in the future."

Second, the basic Marxist theories provided the theoretical basis for various guiding principles and policies of the party. The formulation of our guiding principles and policies should not be based on subjective desires. Instead, it should be based on our understanding of objective laws. It is theory which reflects our understanding of objective laws. Historically, all correct guiding principles and policies were based on scientific understanding of objective laws. Any deviation in the implementation of guiding principles and policies were directly connected errors in theory. During the period of the "Great Cultural Revolution," the so-called theory on the "continuation of the revolution under proletarian dictatorship" as the theoretical basis of the ultraleftist guiding principles and policies such as "taking class struggle as the key link," "seizing power from the capitalist roaders inside the party," and "all-round dictatorship," and so on, brought heavy losses to the party and the people. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has brought order out of chaos in theories, and correctly pointed out: With the completion of the socialist transformation of the private ownership of the means of production, the exploiting classes as a class no longer exist. The main contradiction in our society is no longer the contradiction between the proletariat and the bourgeoisie. The main contradiction is the contradiction between the increasing material and cultural needs of the people and backward social production. The fundamental task of socialism is to develop productive forces. The changes and improvements in production relations should conform with the conditions of the productive forces, and be beneficial to their development. There is no doubt that all these are basic theories which correctly reflect the laws governing socialist development. They are also theoretical bases for shifting our party's focus and the policy of opening to the outside world.

Third, basic Marxist theories provided guidance in terms of methodology for the correct formulation and implementation of the party's guiding principles and policies. Comrade Deng Xiaoping has pointed out: "Following the smashing of the 'gang of four' and the convening of the 3d Plenary Session of the 11th CPC Central Committee, we have formulated a correct ideological line, political line, and organizational line, and a series of guiding principles and policies. What is our ideological line? It means that we should uphold Marxism, Marxist dialectical materialism, and historical materialism. In other words, we should uphold the principle of seeking truths from facts, which Comrade Mao Zedong stressed." ("Building Socialism With Chinese Characteristics," p 34) Seeking truth from facts and following the mass line is a scientific ideological method and working method. The party's guiding principles and policies are based on this method characterized by linking the leadership with the masses, combining theory with practice, and integrating the general with the particular. The process of formulating, improving, and implementing the party's guiding principles and policies is a dialectical process of endless cycles, incessant improvement, and continuous progress, which is characterized by getting the opinions of the masses and referring back to the masses; concentrating the ideas of the masses, then going to the masses; persevering in the ideas and carrying them through; and proceeding from the particular to the general and returning from the general to the particular. Therefore, when the higher authorities are working out policies, and the institutions at lower levels and the grass-roots units are implementing policies, they should consciously take dialectical and historical materialism as their guide, conscientiously carry out investigations and studies, listen to the opinions of the masses, proceed in everything from reality, and turn the party's guiding principles and policies into the conscious actions of the masses.

Fourth, basic Marxist theories are an essential guarantee for the continuity of the party's guiding principles and policies. The prerequisite for this continuity is that the guiding principles and policies should be formulated in accordance with basic Marxist theories and methods, and that they should be correct. This continuity is also demonstrated in the fact that the basic spirit of the guiding principles and policies formulated in light of the different conditions in different periods should be consistent. The continuity of the policies does not negate the flexibility and variability of the specific policies. However, when we readjust and supplement these specific policies, we should on no account deviate from the basic principles of Marxism.

The Party's Important Documents Have Enriched and Developed Basic Marxist Theories

While studying basic Marxist theories, we should conscientiously read the works of Marx, Engels, and Mao Zedong selectively. However, doing this alone is not enough. We should also study the works of our proletarian revolutionaries of the older generation and the important documents published since the 3d Plenary Session of the 11th CPC Central Committee.

The important documents published since the 3d Plenary Session of the 11th CPC Central Committee not only put forward a series of important guiding principles and policies, but also explain and fully prove them theoretically in the process of discussing them. Therefore, they demonstrate a high degree of unity between guiding principles, policies, and theories.

1. With regard to some programmatic documents which are of full guidance significance, most are comprehensive and typical theoretical works. For example, the communique of the 3d Plenary Session of the 11th CPC Central Committee announces the policy decision to shift the party's work focus to socialist modernization, and clearly points out the party's ideological line of seeking truth from facts, proceeding in everything from reality, and integrating theories with reality, and explains the theoretical and practical bases of this important policy decision and ideological line. The resolution on certain questions in the history of the party since the founding of the PRC adopted by the 6th Plenary Session of the 11th CPC Central Committee reaches a practical conclusion on important historical events and a number of historical figures over 32 years since the founding of the PRC. It strongly shows the high level of our understanding of the party's policy. The resolution is based on making use of the principles of dialectical materialism and historical materialism to carry out a scientific analysis. Therefore, it has a strong theoretical flavor. In particular, it analyzes the nature, process, harmfulness, and historical cause of the "Great Cultural Revolution," and Comrade Mao Zedong's erroneous views on launching such civil strife; expounds on Comrade Mao Zedong's historical position, various contents, stands, viewpoints and methods contained in Mao Zedong Thought; and sums up the main points of the road suitable for carrying out socialist modernization, which is in accord with China's conditions. All these are Marxism's great achievements in the area of theory. The political report delivered by Comrade Hu Yaobang at the 12th CPC National Congress comprehensively expounds on the aims, guiding principles, and policies of the party for our country's economic and political construction, the building of spiritual civilization, the building of the party, and so on, and profoundly explains important theoretical questions on these aspects to develop the theory of scientific socialism. The decision of the CPC Central Committee on reform of the economic structure adopted by the 3d Plenary Session of the 12th CPC Central Committee explains the necessity and urgency of the reform of the entire economic structure with emphasis on urban economic system and whole economic reform system, nature, task, and various guiding principles and policies for reform. All these are of great theoretical significance. In particular, the decision puts forward a series of important theoretical viewpoints about the fundamental task of socialism being to develop social productive forces, and

about the socialist economy being a planned commodity economy based on public ownership, and about being able to duly separate ownership from the power to operate, and about various kinds of economic forms and operating methods that should develop together for a long time, and so on. These are important breakthroughs and developments in economic theories. It is appropriate to say that this document is a textbook on socialist political economy. The proposal on the Seventh 5-Year Plan adopted by the National Conference of Party Delegates specifically defines the target of our country's economic and social development during the period of the Seventh 5-Year Plan, and various guiding principles and policies, and further deepens and develops the theories on economic structural reform and socialist economic construction. A series of important speeches delivered by central leading comrades such as Deng Xiaoping, Hu Yaobang, Zhao Ziyang, Chen Yun, and others in recent years on the situation, tasks, the reform of economic structure, the leadership system of the party and state, and so on, are also documents of great significance for theory.

2. Generally speaking, those important documents which guide the socialist modernization program in various aspects also make a comparatively profound theoretical analysis. The documents issued by the central authorities in 1979, 1980, and 1981 on speeding up agricultural development, strengthening and improving the responsibility system in agricultural production, and developing a diversified economy in the rural areas, and the documents No 1 issued successively thereafter have defined in a very clear and increasingly perfect way our rural policies. In the meantime, they also expound on a series of theoretical problems on the responsibility system in agricultural production, the agricultural cooperative system, the rural commodity economy, and so on. While proposing guiding principles and policies, the decision of the central authorities on the reform of the educational system, and the important documents issued by the central authorities on political, legal, organizational, united front, diplomatic, and military work and the problem of party work style; of the ideological front, of religions, and so on also expound on the relevant basic Marxist theories.

3. With regard to documents concerning individual policies of the central authorities for some important work, we frequently find that while expounding on the lines of demarcation and contents of the policies concerned, they also explain theories. For example, when Comrade Deng Xiaoping was talking about the policy of allowing some areas, enterprises, workers, and peasants to get rich first through hard work, he pointed out: "Letting some people improve their living standards first will inevitably set a good example for and influence their neighbors, and encourage people in other areas and units to learn from them. In this way, the entire national economy will advance wave upon wave, so that people of various nationalities throughout the country will get rich faster." In his explanation, he used the principle of materialist dialectics on the uneven development of things and the advance of the national economy wave upon wave to show the dialectical relations between getting rich first and attaining common prosperity. This is completely different from the view of "eating from the same big pot," which prevailed for a long time, and strikes people fresh theoretically.

In a word, the important party documents published since the 3d Plenary Session of the 11th CPC Central Committee are products of integrating the universal truth of Marxism with the actual conditions of socialist construction in China, and making use of and developing creatively Marxism under new historical conditions. While explaining a series of important party guiding principles and policies for the new period, they add new content to Marxism's treasure house of theory. Therefore, they are of great theoretical significance.

Explaining the guiding principles and policies of proletarian parties together with basic Marxist theories was a traditional form in the history of Marxist development. This was frequently reflected in a great number of classical works of our revolutionary leaders. "The Communist Manifesto," a great theoretical work comprehensively expounding the Marxist world outlook, organically contains the revolutionary policies of the proletarian political parties for various different social classes and forces, including the bourgeoisie, feudal nobles, peasant petty producers, various social sects, and others. Lenin's "On Grain Tax" is a typical article on policy. While discussing grain policy, it explains the important theoretical principles of many issues including commodity exchange, state capitalism, peasant allies, and so on. Comrade Mao Zedong's articles such as "Analysis of the Classes in Chinese Society," "On New Democracy," "The Chinese Revolution and the CPS," "On Coalition Government," and so on, penetratingly analyze the theories on the new democratic revolution, and clearly define the policy for the new democratic revolution. They mark the unification between theory and policy.

Since the important party documents published since the 3d Plenary Session of the 11th CPC Central Committee include a series of important theoretical attainments and have carried forward in form the tradition of classical Marxist writers of integrating theory with policy, why should we not treat them as Marxist theoretical works and study them?

Actually, it is more necessary to study important party documents published since the 3d Plenary Session of the 11th CPC Central Committee than other theoretical works on the history of Marxist development. This is because: First, the important party documents published since the 3d Plenary Session of the 11th CPC Central Committee uphold basic Marxist principles. At the same time, they break with a few principles and conclusions which no longer conform with the present conditions, and put forward new principles and conclusions derived from the practice of revolution and construction during the new period. Therefore, studying these documents is tantamount to studying a Marxism which has been developed in modern times. This is of very direct and practical significance to our socialist modernization which is being carried out. Second, in the course of studying Marxist theories, apart from knowing general principles and conclusions well, what is more important for us to do is to master the Marxist stand, viewpoints, and methods. The important party documents published since the 3d Plenary Session of the 11th CPC Central Committee are a brilliant example of integrating the universal truth of Marxism with socialist modernization in China. From these documents, we may learn the scientific methods of using the basic principles of Marxism to explore and solve new political, economic, social, and cultural problems.

Combining the Study of Basic Theories With That of Guiding Principles and Policies Is an Important Way To Integrate Theory With Practice

Correctly handling the relations between studying basic Marxist theories and studying the guiding principles and policies of the party is, in the final analysis, a question of the style of study of integrating theory with practice. If we fail to study basic Marxist theories hard because we know certain guiding principles and policies well, or have read some works of Marx and Lenin, and rest content with all this, we will not be able to uphold well the principle of integrating theory with practice. This will be detrimental to the enhancement of our level of understanding of theories and policies.

If we only pay attention to understanding policies and regulations without mastering the basic theories, it will actually be difficult for us to enhance our level of understanding of policies. This is because: First, without a solid foundation in theory, it is impossible for us to accept promptly the guiding principles and policies of the party and understand them profoundly. Such being the case, we are liable to know the how without knowing the why, or have a hazy notion only. We will not be completely convinced by the guiding principles and policies of the party. We might follow them organizationally, but resist them in our minds. Second, without a solid foundation in theory, it will be impossible for us to implement the party's guiding principles and policies. Very often, we can only repeat what the books say, and copy them mechanically. We will not be good at putting forward feasible opinions on implementing the party's guiding principles and policies. We will not be able to master them and handle matters in a flexible way under complicated circumstances, still less propose unique policies and measures. Third, without a solid foundation in theory, it will be impossible for us to uphold the sense of principle and gravity of the policies. We are liable to echo the views of others, or heed and trust only one side. We are also liable to have a sudden waxing and waning of enthusiasm, or appear as a rightist one minute and on the "left" the next. Engels said: "If a nation intends to scale the heights of science, it should never divorce itself from theoretical thinking even for a moment." ("Selected Works of Marx and Engels," Vol 3, p 467) If those comrades engaged in practical work rest content with "understanding policies," and fail to put a high demand on themselves with regard to the study of theory, they will not be able to master the policies well. On the contrary, they will be influenced by erroneous thinking, and become empiricists, or persons who act rashly and blindly.

If we only pay attention to studying classical Marxist-Leninist works, but are not interested in studying practical guiding principles and policies, it will actually be impossible for us to enhance our theoretical level. The theories we want are those which are derived from practice and proved by it. The basic guiding principle of theoretical work is to link theory with practice, and closely combine it with reality so that it serves the building of both material and spiritual civilizations. What merits our attention is that policy is a very important link in the integration of theory and practice. Comrade Mao Zedong said: "Policy is the starting point of all the practical actions of a revolutionary party and manifests itself in the process and the end-result of that party's actions. A revolutionary party is carrying out a policy whenever it takes any action. If it is not carrying out a correct policy, it is carrying out a wrong policy; if it is not carrying out a given policy consciously, it is doing so blindly." ("Selected Works of Mao Zedong," Vol 4, p 1229) Therefore, to integrate theory with practice, we should, first of all, link the guiding principles and policies of the party with reality. Both theoretical workers and practical workers should strengthen their study of the current guiding principles and policies. Whether their theoretical level is high or low, and whether their results in studying theory are good or poor is not determined by how many conclusions and sentences of Marx and Engels they can recite. Instead, it is determined by whether they can make use of the Marxist stand, viewpoints, and methods to explain and solve problems connected with the practical guiding principles and policies. If they rest content with reading some books written by Marx and Engels, but fail to link what they have read with the practical guiding principles and policies to solve practical problems, they will become phony theoreticians, or dogmatists who swallow ancient learning without digesting it.

A basic demand on the theoretical study of our cadres is to integrate the study of basic Marxist theories with the study of current guiding principles and policies of the party so that our cadres can make use of the basic Marxist principles and methods, and constantly integrate them with the changing reality to explore and solve new problems. Only by persisting in doing this can we achieve good results in our study, and promote the progress of our cause and Marxist theories.

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WHAT IS THE ROLE OF FINANCE IN SOCIALIST MACROECONOMIC MANAGEMENT?

Beijing RED FLAG in Chinese No 8, 16 Apr 86 pp 45-46

[Article by Ye Zhenpeng [0673 2182 7720]]

[Text] The aim of macroeconomic management is to maintain a basic balance in overall social supply and demand, so that the national economy can develop in a stable, coordinated, and proportional way and the people's standard of living can steadily rise in the wake of economic growth. Socialist finance is an important tool by which the state organizes and allocates financial resources in a planned way and by which the major proportions of the state economy and the economic interests of the various sides are coordinated. It plays important roles in macroeconomic management.

The first role is maintaining a basic balance between overall supply and demand. Finance is leading link in the allocation of national income and a major channel in the formation of overall demand. The adjustment of overall supply and overall demand by finance is mainly carried out by adjusting the total scale of income and expenditure and the income-expenditure structure. Financial income is the basis of financial expenditure. An important task of the financial departments, on the basis of production development, is to make great efforts to increase financial income. Under the condition of fixed financial income, we must adhere to the principles of seeking truth from facts and keeping expenditure within the limits of income, control financial expenditure, and maintain a balance between financial income and expenditure, so that the scale of economic construction and the increase in the people's standard of living does not exceed the financial capabilities of the state. Finance is an important measure by which to control overall demand. At the same time, it plays an important role in promoting supply. By expanding an enterprise's financial power, financial departments can increase an enterprise's ability to transform itself and develop itself and promote the development of the productive forces and the growth of total social products. Through financial subsidies and preferential taxes, it is possible to promote the production of those products in short supply and adjust and improve supply. Thus, finance promotes and maintains a balance between both demand and supply.

The second role is regulating the proportional relationship between accumulation and consumption in the distribution of national income. In the regulation of the proportional relationship between accumulation and consumption, finance first controls the overall scale of investment in fixed assets and second controls the growth of consumption funds. In the traditional model, the basic form of fixed assets investment is allocation through financial budgets. Thus, the method for controlling investment is direct control by adopting planned targets. The reform of the economic structure has caused the types of investment funds to be diversified. Apart from state financial investment, there is also bank credit and enterprises funding their own investment. There are also all sorts of joint investment and individual investment. In recent years, extrabudgetary self-funded investment has grown swiftly. In this situation, in regard to investment in fixed assets, apart from retaining certain direct controls, state finance should also use taxation, discounting, and other indirect controls and guidance measures. For example, extrabudgetary capital construction investment can be regulated and controlled through the collection of energy and communication funds, levying of construction taxes, and so on. Financial control of consumption funds is mainly realized through the planned arrangement of overall amounts of wages in administrative and enterprise units, and through levying income taxes and regulatory taxes on wages, taxes on bonuses, and similar measures. These provide both direct and indirect ways to adjust and control the scale of consumption funds.

The third role is regulating the structure of the national economy. The national economic structure includes the industrial structure, the product mix, the technological structure, the enterprise organizational structure, and so on. The most important of these is the industrial structure, which plays an important role in the stable and coordinated development of the national economy and whether macroeconomic results are good or bad. Financial regulation of the industrial structure is mainly realized by guiding and regulating the direction of investment. For example, in order to speed the development of those industries such as energy, communications, and raw and semifinished materials which are not meeting demand, while arranging budgeted investment, the investment needs of these industries which are not meeting demand should be guaranteed as far as possible. At the same time, by collecting energy and communications funds, issuing treasury bonds, and using taxation, financial subsidies and other economic levers, some of the extrabudgetary funds can be collected and guided into the development of those industries which are not meeting demand. In addition, the financial departments can use financial allocations, taxation reductions, or exemptions and financial subsidies to encourage the development of new technology and new products and provide the rationalization of the scale and development of enterprises.

The fourth role is the rational regulation of economic benefits and motivating the enthusiasm of the localities, the enterprises, and the individual laborers. Finance is the central pivot of national income distribution. By correctly arranging the distribution relationship between the central authorities and the localities, the state and the enterprise, and the state and individuals, by putting economic relationships in order, and by motivating the enthusiasm of the various sides, financial measures can promote the development of the productive forces. For example, there is reform of the financial structure to expand the financial powers of the localities and enterprises; the use of progressive income tax, wage adjustment taxes, taxes on bonuses, resources taxes, and so on to regulate the income differential between enterprises and individuals; and the provision of appropriate financial subsidies to enterprises which incur losses of a policy nature. These measures play an important role in strengthening the vigor of enterprises and motivating the production enthusiasm of localities, enterprises, and laborers.

The fifth role is regulating foreign economic dealings. For example, by encouraging exports through foreign trade subsidies and preferential taxes, various taxes and tariffs related to overseas trade, the signing of bilateral taxation accords with foreign governments, the provision of preferential taxes for foreign business investment, and other measures, foreign economic and technological dealings can be promoted. This sort of regulation can both assist in the expansion of our nation's foreign economic and technological interflow and also guarantee that our nation's interests are not harmed.

Through financial policies, the financial management system, and financial tax levers, finance realizes macroeconomic management. This is concretely shown in the regulation and control of the following major proportional relationship: 1) The proportion financial income constitutes in national income; 2) the ratio of extrabudgetary funds to budgeted funds; 3) the ratio of funds for central authorities and funds for localities in the state budget; 4) the ratio between centralized financial allocation by the state and financial allocation through enterprises retaining funds; 5) the ratio between the growth of workers and peasants' income and the growth of national income; and 6) the ratios between the financial expenditure used in the economy, culture, national defense, and so on, and the ratio of funds used for investment in fixed assets. From this we can see that the role of financial policies is mainly manifested in the control of the total amount distributed and in structural regulation. The main role of the financial management system is to regulate the financial allocation relationship between the central authorities and the localities and between the state and the enterprises. It sets specific regulations as to the concrete forms of centralization or dispersal in financial distribution between the central authorities and localities and between the state and enterprises, as well as the limits of rights, obligations, and interests. Financial and tax levers play regulatory roles in many respects in production, circulation, allocation, and consumption investment. However, these roles are mainly manifested as quantitative control and structural regulation in specific areas.

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LOFTY ASPIRATIONS AND SIGNIFICANT ACTIONS

Beijing RED FLAG in Chinese No 8, 16 Apr 86 p 46

[Article by Yan Hua [7051 5478]; reprinted from SHIJIAN, No 3, 1986]

[Text] While leaders should possess all sorts of qualities, I feel that having lofty aspirations and carrying out significant actions are the most basic qualities. Aspirations are noble things to be sought in the long term, while actions are firm, shining, real acts.

People are always seeking. However, what they seek differs; their actions also differ. Some people seek noble goals and their actions are also noble. Other people seek base goals and their actions are selfish and mean. Thus, the ancients had an admonition: Aspirations should be noble and farsighted. As far as a Communist Party member or leading party cadre is concerned, it is particularly important that he has noble and farsighted aspirations.

For over half a century, the reason Chinese Communists have been able to persist in carrying out arduous and great struggle and accomplish brilliant achievements not realized before is that under the guidance of Marxism, they have had unswerving faith in communism and the most noble and long-range aspirations in history. With the aspiration of this conviction, many heroic model persons have appeared among them. These include indomitable and staunch fighters "willing to lay down 100,000 lives in order to save the world," and those Lei Feng-type people who in ordinary situations make extraordinary efforts and "whose actions are used to bring a better life to others." There are revolutionaries of the older generation who "will strive hard as long as they breathe in order to provide a model for the young." There are also Qu Xiao-type people who "constantly meet frustrations but whose loyalty to the party never wavers" and who "to the bottom of their heart are unselfish and greatly generous." Their aspirations and actions are perfectly paired, are as brilliant as the sun and moon, and will leave a shining chronicle. They must far surpass Chen She [7115 3195], who urged himself on with "lofty ambitions" and realized mighty achievements, and Liu Bang [0491 6721], who by "flying high" "traveled 1,000 li in an instant" and became an emperor. Thus, they will gain more respect and esteem from the people and the people will place more trust in them.

The key to lofty aspirations and significant actions lies in "aspirations." "In the past, our party, no matter how weak or how many difficulties it met, has always had a strong fighting force because we have had faith in Marxism and communism. If there are common ideals, there will be iron discipline. No matter whether we are speaking of the past, present, or future, this is our real superiority." Indeed, a Communist Party member or a leading party cadre, if he establishes communist faith, will act nobly, will provide great inspiration to the people, and will bring true superiorities into play in his undertakings.

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RANDOM THOUGHTS ON 'EATING'

Beijing RED FLAG in Chinese No 8, 16 Apr 86 p 47

[Article by Nan Shi [0589 4258]]

[Text] Eating is a very common thing, but in ways it is also a rather unusual thing. There are some truths to be found in eating, and it is worth taking a closer look at them.

Whether our ancestors were the first persons to learn how to drill wood and make fires to cook food cannot be proved. However, it appears that it can be said that China is one of those countries which pays great attention to eating. Not long ago, several Beijing chefs won gold medals at a world cooking competition. This is something in which we can take pride. However, a regretful aspect is that in a society with long years of class oppression, fastidiousness about food was restricted to a small group and did not really touch the majority of the people. However, there has long been the proposition that "the people see sufficient food as their heaven." When we "took grain as the key link" in the past, it was also connected with this proposition. However, we followed a metaphysical road. The results were not good and many people went hungry. In the few years since we set out on a new course, we have not done things in a unified way. There is plenty of food in the fields and in the storehouses, the people are fed and clothed, and, apart from a small number of poor areas, everything is in a much better situation. This is a blessing for both the state and the people.

Following the opening of the great door, and in the wake of the development of economic and cultural dealings and the tourism industry, some localities have put up luxury hotels. Eating has thus developed and become more flourishing, and the cost of eating has also continually risen. Recently it has been heard that in some hotels the lowest meal price per person is 40 yuan and higher prices are 50 or 60 yuan. As to how high the prices go, this writer has no way of knowing. I think that my monthly salary of close to 200 yuan is not bad as far as cadres are concerned, but if I ate like this, with my month's salary I could only afford three or four meals. If I was fond of good food and often ate like this, my family would have nothing to eat. Of course, if those who patronize these large hotels are foreigners or Hong Kong and Macao guests and they want to eat particular things, then we should make it convenient for them to do so. The problem is that at present, the number of mainland compatriots who can eat at these hotels and pay with their own wages is not great. If you cannot rely on your own pocket, the only option is to pay out of public funds. If each table is several hundred yuan, or even 1,000 yuan each, after the total is calculated, it will be truly startling. Although in many organs, their administrative funds are subject to restriction each year, they still manage to increase each year. It is not that there are no restrictions. In many units, expenditure on newspapers has become a major target for restriction. However, the public funds expended on eating expand the more they are restricted. This is really very strange. In some people's eyes, the belly is far more important than the brain. If their belly is filled with delicacies from the hills and the ocean, they will be quite happy. However, they never worry about their brains being empty.

Spending public money on eating is not completely irrational. However, it is better if there is some overall control. At present there are many compatriots who have just enough to eat and to remain warm. We still need to engage in an arduous struggle. If we do not consider the national situation or resources and pay excessive attention to eating and drinking, we may eat up our work style of arduous struggle, eat up our restricted construction funds, and eat up our superiorities. In recent years, some foreign friends have come to China and, at the same time as praising our nation's culinary arts, have also said that our treatment of them is too sumptuous, which does not really suit our times of arduous pioneering work. I believe that this idea is one which should be heeded.

Eating is an art, and in some situations also has quite a political flavor. Bo Yi and Shu Qi were too proud to eat millet from the state of Zhou. While their political viewpoint is debatable, their view that eating has more significance than just meeting the needs of the stomach is correct. Before liberation, Zhu Ziqing [2612 5261 3237] did not eat U.S. relief flour, demonstrating that the moral integrity and political hue of Chinese people are both very deep. With an historical mirror like this, will the gluttons who love to eat be able to evade this question before they start eating?

In April, in the area south of the Chang Jiang, the silkworm raisers hear a rustling sound in the silkworm sheds and are very happy. This is because the soft white worms are eating the tender green leaves and will be able to produce the pure white soft silk threads that will be turned into gorgeous spring clothes for young women. In April, in the area south of the Chang Jiang, the buffaloes and cows lie in the fields munching the green grass. When the peasants hear that heavy grinding sound of teeth they are also very happy. This is because once the buffaloes have eaten the grass they will have increased strength to plow the fields. Once the cows have eaten the grass, they will be able to give milk, which will allow our children to grow up healthy and strong. These sounds of eating are not the beautiful sounds of celestial music, but are still worthy of praise. I will be happy to hear much more of these sounds of eating!

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EASTERN-STYLE GENIALITY AND WESTERN-STYLE MANAGEMENT--BRIEF COMMENTS ON 'CONFUCIUS MEETS ZILU'

Beijing RED FLAG in Chinese No 8, 16 Apr 86 p 48

[Article by Song Suiliang [1345 6659 5328]; "Confucius Meets Zilu" was written by Mao Zhicheng [3029 1807 2052] and appeared in SHANDONG WENXUE, No 1, 1986]

[Text] Zilu was Confucius' good student. Confucius said: "If my ideas are of no use, I will take a raft and go abroad. In this, probably only Zilu would follow me!" We can see from this that their teacher-student affection was very deep. Now, a foreign student who previously studied in China again comes to China from abroad to discuss business. Her adversary in the trade discussions just happens to be her former Chinese teacher. Thus, we see a modern recreation of "Confucius meeting Zilu." However, the results differ greatly from those of 2,000 years ago.

This foreign Zilu is named Sang Ye-si-dao-er and she is an executive in a company run by Director Kang, a major businessman of Chinese descent. She was quite attached to her Chinese teacher, Professor Wen, praised him as a relayer of "fine Eastern ideas," and saw him as the embodiment of "great Eastern sentiments" and "Eastern geniality." The gentle and cultivated Professor Wen felt very comfortable hearing this from the girl and praised her "deep feelings for China" and was self-satisfied with the kind and respectful words of "teacher and father" uttered by Miss Sang.

Another person who thinks she made a good impression on Miss Sang is Deputy Secretary Pan of the handicrafts company. She discovers that this "mulberry leaf" "was actually educated in China, and even understands something about the superiorities of socialism," but that her words still "have some class sentiments."

Thus, Professor Wen and Deputy Secretary Pan confidently and enthusiastically prepare to receive their foreign comrade "Zilu" with "special favor" in the trade talks. Who was to know that when Miss Sang comes to the discussion table, she will have nothing to do with her close friends, thus offending them? Professor Wen cannot at first make head nor tail of this, and is at a loss as to what to do. He faces the danger of complete loss. There then appears from the melee a young woman general who helps the commander stabilize his position, grasps Miss Sang's weak points, and forces her to sign a contract beneficial to our side. This female general is Professor Wen's daughter Wen Xian, a cadre in the handicrafts company.

This trade discussion quite concisely demonstrates the different attitudes and methods in our reforms and work related to opening up, and reveals many of our old concepts that do not accord with the new situation. What Professor Wen holds aloft is the traditional banner of "the Heavenly Court and the culture of benevolence and virtue." Deputy Secretary Pan holds the "leftist" placard of "spiritual atom bomb." They "do not believe that 'public' cannot overcome 'private' or that 'Chinese' cannot overcome 'foreign.'" Their "leftism" is pitiful and their ignorance lamentable. It is only because Wen Xian, who was looked down upon by Wen and Pan and who used the seek-truth-from-facts marksmanship of Marxism, bravely and knowledgeably said, neither superciliously nor obsequiously, "success or failure cannot be entrusted to our feelings for the opposite party. It must be based on our own talents and strengths!"

Today, many obstacles we meet in reform and opening up are remnant feudal ideas that should have gone out of fashion long ago, as well as "leftist" ideological pernicious influences. Mister Lu Xun once pointed out: "A people already ossified both physically and spiritually will obstruct even the very smallest reform... However, the reasons they give appear as fair-minded and upstanding." ("Collection on Halfheartedness: Habits and Reform") Deputy Secretary Pan "fair-mindedly and upstandingly" reprimands the city committee secretary's support for the collection of foreign trade samples as "simply selling human dignity! Selling popular trust! Selling party spirit!" This is one example of this.

It also appears that Sang Ye-si-dao-er does not understand China. She feels that by reciting the "Analects" one can realize the true essence of Chinese culture. She does not realize that when some people show great politeness to foreigners and take great care to show "great Eastern sentiments," they are generally being liberal with the state's generosity in order to seek gain for themselves. It is in this respect that the most foreign and the most local ideas, the most ancient and the most fashionable ideas, all walk the same road. The "deep feelings" that Professor Wen, Deputy Secretary Pan, and Miss Sang build on the basis of their respective misunderstandings naturally merit examination.

"Confucius Meets Zilu" is a satirical novel. The personal descriptions are exaggerated at times and the language is imbued with much humor. Miss Sang recites the "Analects" and quotes the "Analects." She just has to talk about Confucius. Even the 12 silk scenes are comprised of Confucius' actions. Thus, this "holy historical figure" is linked with our newest reform undertakings, giving quite a comical atmosphere, and showing that the author, in his sternness, has a lenient breadth of vision. However, there are also some places in which the author has gone too far. For example, in order to show that Director Kang is a patriot, he has him finally produce a "sympathy gift." In order to show Wen Xian's new ideas, he hastily adds a love story. This is just like "adding legs to a picture of a snake."

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FURTHER PROMOTE TIANJIN MUNICIPALITY'S REFORM AND OPENING UP TO THE OUTSIDE WORLD--REVIEWING 'TIANJIN--MOVING TOWARD THE OUTSIDE WORLD'

Beijing RED FLAG in Chinese No 8, 16 Apr 86 inside back cover

[Book review by Lei Shenghong [7191 5116 1347]]

[Text] Opening to the outside world and invigorating the domestic economy is one of the basic policies formulated by the party and state. The book "Tianjin--Moving Toward the Outside World" reflects the results and experiences of reform and accords with the demands of the new situation. It plays a positive role in promoting the reform and opening up of Tianjin municipality.

Tianjin municipality is one of our nation's three large cities which are directly administered by the central government. It is rich in natural resources and is an important comprehensive industrial base for our nation. It has a well-equipped seaport and a land and sea transport network which links up all sides. It has a strong industrial base and is quite well equipped in terms of scientific and technological strengths. It has wide connections with the hinterland and both its domestic and international economic relations are wide-ranging. Also, its basic urban facilities and tourist service facilities are being daily improved. Under the guidance of the policy of opening up to the outside world and enlivening the domestic economy, Tianjin municipality, as one of the 14 open coastal cities, is bringing into play its own superiorities and is pushing forward in a brand-new way along the road of the four modernizations.

In order to further promote the urban reforms of Tianjin municipality, Tianjin and RED FLAG magazine have jointly edited "Tianjin--Moving Toward the Outside World." It is one volume of the "Collection on China's Urban Reforms" being published by RED FLAG. This book uses vivid language and elegant photographs to truly, concretely, and accurately reflect the results achieved in all areas of building socialist material civilization and spiritual civilization since the 3d Plenary Session of the 11th CPC Central Committee. It also shows the latent potential and development prospects on all fronts, and is a historical document worthy of close reading.

The book is divided into two parts--"General" and "Enterprise and Institutional Units."

Through accurate materials, statistical data and color photographs, the "General" section describes in a concise, strategic, and systematic way: the historical origin of Tianjin municipality's foreign economic relationships as well as the exceptional development conditions; the new developments and new achievements over the last few years in invigorating the domestic economy and opening up to the outside world; the situation and achievements over the last few years in readjusting the industrial structure in order to satisfy the needs of the people's lives and accord with the new situation of opening to the outside world; the development of domestic and foreign trade and financial undertakings; as well as the great achievements realized in science, education and cultural undertakings and in all aspects of urban construction. It draws a reliable blueprint of development prospects brimming with hope.

The "Enterprise and Institutional Units" section of the book is quite lengthy and introduces some representative enterprise units and institutional units. Tianjin municipality is a large city with a population of 8 million. It has close to 5,000 industrial enterprises and, if the units in other professions and trades are included, the figure exceeds 10,000. The "Enterprise and Institutional Units" section introduces 246 of these units. They all have a representative nature and development potential. They are the backbone force in promoting reform and in opening up. This section introduces the basic situation of these units, with full and accurate details and rich reference materials.

This book has definite documentary value and value as reference material. For those domestic and foreign experts who wish to understand and study Tianjin municipality, this book supplies correct and reliable material and data. At the same time, because there was careful investigative research done during the compilation of the book, it correctly reflects the history and present situation of various fronts in Tianjin. It can also supply a lot of information and intelligence to those people both in China and abroad who are involved in the same business or who are just interested in carrying out economic and technological cooperation or scientific and cultural interflow with the various industries, factories, and departments in Tianjin.

The major leading cadres of Tianjin municipality have paid attention to and supported the publication of this book. The mayor, Li Ruihuan, wrote the foreword and Tan Shaowen, deputy secretary of the municipal CPC committee, was chief editor. For the convenience of foreign friends, the book has both Chinese and English texts. The printing is fine, the layout appealing, and the binding excellent. It is rich in both text and illustrations, and there are over 480 color plates. It is an exquisite work of art and souvenir and thus, after reading it, people will have a beautiful piece of art to admire.

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IT IS NECESSARY TO CLIMB HIGH UP AND TO GO DEEP DOWN

Beijing RED FLAG in Chinese No 9, 1 May 86 p 2

["Forum"]

[Text] To maintain a relationship as close as that of fish and water between the party and the people and between the cadres and the masses, to demonstrate mutual support and concern politically and morally between superiors and subordinates and between leading organs and the great mass of people--this is a form of moral force, which albeit unseen and untouchable, can be manifested and can create an enormous impact in actual work. Therefore, it is extremely necessary and advantageous that our leading comrades working in the forefront of leading organs frequently go among the people and to the grass roots to conduct studies, inspections, and visits. With all the central, provincial, municipal, and autonomous regional levels so doing, it could spur on cadres at other levels to follow their examples. To go among the people is to go among the workers, the peasants, the intellectuals, and the soldiers. It is to go among the public security cadres and men, the minority nationalities, the students, the veteran comrades, the disabled, and the children. It is to go to remote work sites, frontier areas, and impoverished villages. To visit them and talk with them is a good method which should be adhered to so that it becomes a fine practice and tradition.

Leading comrades going among the people is not solely a question of political impact; more important, it leads to implementation of correct leadership. Cadres going deep to the grass roots to learn the true situation could minimize errors in leadership work. It could also play a very good role in enhancing the quality of cadres and in promoting the healthy growth of cadres, particularly young ones.

There are two conditions necessary for the healthy growth of our cadres: One, it is necessary to possess comparatively greater modern scientific knowledge, including Marxism, modern scientific technology, and modern management expertise. Second, it is necessary to have practical experience and knowledge. The first may be called climbing upwards; the second, going deep down. It is imperative to advocate that our cadres work hard on these two aspects. It is extremely difficult to take on a leading post if one is equipped only with textbook knowledge and no practical knowledge. Since the 3d Plenary Session of the 11th CPC Central Committee, in order to enhance the quality of the greater part of cadres, the party has stressed the need for cadres to master knowledge. This is correct. Due to the grave consequences brought about by the "Cultural Revolution," we are more aware of the importance of mastering modern scientific knowledge. As for going deep into practice, relatively little has been spoken on the subject in recent years. In practical work, attention was not paid to stressing the two aspects simultaneously. They should be emphasized now; that is, it is necessary to climb upwards as well as to go deep down. It is imperative that the two aspects be very well integrated.

To build socialism with distinct Chinese characteristics and to realize the four modernizations in socialism is a glorious but arduous cause. In this great cause, what are our cadres short of? It should be said that they are lacking in both regards; they lack modern scientific knowledge, that is, the three features of knowledge mentioned above. In addition, they are also short of practical experience and knowledge as well as a profound understanding of the national situation. Is it not said that the "absence of one condition cannot be dispensed of"? Well, so much more so if two conditions are missing. Generally speaking, within our leading organs, the cadres, from the leading to the ordinary ones, usually have insufficient modern scientific knowledge. However, comrades who work in leading organs and who come into more contact with documents, materials, and books have, relatively speaking, even lesser understanding of actual conditions than of textbook knowledge. Comrade Mao Zedong said in his article "On Practice": "If you want to know the taste of a pear, you must taste the pear by eating it yourself." The relationship between the perceptual stage of cognition and the rational stage of cognition is dialectical. "After perceiving something, we cannot immediately understand it. Only by understanding something can we perceive it more profoundly." If we are to do a good job of the reforms and the construction and to open up a new prospect, it is necessary that the leading organs and leading comrades integrate well the two aspects of mastering knowledge and going deeper into practice, and use the understanding of Marxism to guide our ideology and action.

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SEVERAL QUESTIONS CONCERNING THE STRENGTHENING OF THE STUDY OF SOCIAL SCIENCES

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[Article by Hu Sheng [5170 4939]; capitalized passages published in boldface. This article is edited from parts of the two speeches delivered by the author at the Chinese Academy of Social Sciences in August and December 1985.]

[Text] I. On the Question of Marxism as the Guide

The work of our country as a whole is carried out under the guidance of Marxism and our social sciences research work must also be carried out under the same guidance. This is the most fundamental principle for our research work.

The doubt as to "whether Marxism actually remains valid" and the idea that "Marxism has lost its validity" existed in society for some time following the conclusion of the "Great Cultural Revolution" and still exist now. This is not at all strange. During the 10 years of turmoil, Marxism was awfully ravaged. Therefore, it is hard for people to avoid having such doubts and ideas. In the history of the Chinese revolution led by our party, whenever the revolution suffered serious setbacks, such phenomena have emerged in society and even in the party. Marxism is a scientific truth. It has withstood repeated tests, including successes and setbacks or failures in practice and all this proves that it has a great vitality. Since the 3d Plenary Session of the 11th CPC Central Committee, the party has corrected its ideological line and correctly used Marxism-Leninism-Mao Zedong Thought in guiding our work, thus bringing about an upswing in all fields of work. The facts have proved that the argument asserting that "Marxism has lost its validity" does not hold water.

The task of reform lies ahead of us. One could well say that the reform of the economic structure and of other fields of endeavor is a deepgoing revolution. The reform is aimed at transforming the rigid patterns which are not in keeping with China's national condition. Since there is no existing experience to follow, in carrying out the reform, it is hard for us to avoid some complications and new problems of various kinds. During the process of replacement of the old economic structure by the new, it is hard to avoid some loopholes, and the people who are bent on seeking private gains will capitalize on them. The progress of the reform will affect people's lifestyle and concepts. For this reason, people are required to adapt their concepts to the changed real life. In the process of this deepgoing revolution, some party members have lost the staunchness of communists and abused their power to seek private gains and moreover, have concentrated on personal interests to the neglect of the party's interests and even violated the law and disciplinary codes for that purpose. Instead of clamoring that Marxism has lost its validity, they have proved by their own deeds that they have abandoned Marxism, asserting that communist ideals are utterly meaningless. There is also nothing strange about the emergence of such a phenomenon. Our party is one with a membership 40 million strong. As far as a big party like ours being confronted with such a sophisticated situation is concerned, it is impossible that there will be no ideological confusion among some of its members and that no one will fall behind. Naturally, this is not a good thing. However, if we observe and study our party's history from the Marxist viewpoint, this is also a normal phenomenon. A big proletarian party can hardly be without contradictions. The "Great Cultural Revolution" which distorted inner-party contradiction and struggle was aimed at launching "a great revolution" within the party and indiscriminately overthrowing large numbers of cadres as so-called "capitalist roaders." This is completely wrong. We must scientifically understand inner-party problems from the Marxist viewpoint. Our party admits that there are contradictions within the party. Otherwise, why should we conduct party rectification? What is important here is what is the leading force of the party and what is its guiding force, whether or not we can check unhealthy trends by encouraging healthy ones and overcome the tendency to depart from Marxism by Marxism; whether or not we can correctly and clearly distinguish the nature of inner-party contradictions and use correct methods to solve them; and whether or not we can use both the methods of education and strictly enforce party discipline. We must have a Marxist understanding of the negative phenomena emerging within the party. We must be rock-firm, uphold the stand of the party, and wage a struggle against erroneous behaviors or criminal offenses. If, at the sight of some problems cropping up, we assert that the party is no good and Marxism has lost its validity, this in reality means drifting with erroneous trends.

As far as the social sciences front is concerned, a problem likely to be of particular importance is one of putting Marxism in simple and vulgar terms. During the democratic revolution when the "leftist" line occupied a dominant position, we committed the mistakes of putting Marxism in simple and vulgar terms, such as "all struggle and no alliance." Is this not simple? Subsequently, our party launched a struggle against dogmatism to curb the tendency of putting Marxism in simple and vulgar terms and to combine Marxism with the realities in the Chinese revolution to solve the complicated problems cropping up in the revolution. At the stage of socialism, there also emerged the tendency to put Marxism in simple and vulgar terms. During the "Great Cultural Revolution," this tendency was developed to the extreme. For example, the theory of class struggle is an important Marxist theory but after the socialist system was basically established, the notion of "taking class struggle as the key link" was wrong. Socialism needs to practice the system of public ownership but the formula of "the higher the level and the larger the scale of the public ownership, the better" was wrong. The reasons behind the oversimplification and vulgarization of Marxism are complicated. Here we only mention two among others. First, when we entered the period of building the country from that of the revolution and basically completed the transformation of the ownership of means of production in 1956, we were confronted with the question of how to shift Marxism from chiefly guiding class struggle in the revolution period to guiding state construction. However, we failed to bring about this transformation successfully or failed to do so in real earnest, one might say. We failed to bring about the transformation in terms of the work of the country as a whole as well as that of the social sciences front. It was not until 1978 when the 3d Plenary Session of the 11th CPC Central Committee was convened that the transformation began to be seriously undertaken. Failure to bring about the transformation is the important cause for the oversimplification and vulgarization of Marxism. Second, in the new conditions following the founding of the PRC, large numbers of people joined the ranks of the revolution. Full of revolutionary enthusiasm and zeal, most of them had little schooling and did not have enough time to receive a systematic education in Marxism and therefore, they were liable to accept the practices of putting Marxism in simple and vulgar terms. It is very easy to memorize a quotation or a formula. As far as the social sciences front is concerned, large numbers of intellectuals have begun to accept and study Marxism. They have accepted it sincerely and earnestly and studied it conscientiously. However, to master Marxism is not an easy thing, in particular, to combine Marxism satisfactorily with the special fields of scientific research and really use it as the guide in such endeavor. Such being the case, it is difficult to avoid taking over someone else's ideas without discrimination, and easily accepting the practice of putting Marxism in simple and vulgar terms and the method of solving problems by relying on several quotations.

We must now overcome the tendency to put Marxism in simple and vulgar terms. So, what weapon can we use to overcome it? Of course, we can only use Marxism as a weapon in doing so. We can neither use one form of oversimplification and vulgarization to oppose another form of oversimplification and vulgarization nor use one form of one-sidedness to oppose another form of one-sidedness. For instance, our party has criticized the notion of "taking class struggle as the key link" which was prevalent during the "Great Cultural Revolution" because class struggle no longer constitutes the principal contradiction in the Chinese society. However, class struggle still exists within certain limits. Therefore, we still need to study the old society and its influence on society at present. In doing such a study, we must still use the Marxist method of class analysis and the Marxist viewpoint of class struggle. To implement the policy of opening up to the world, we have to face the world. There are both the bourgeoisie and the proletariat in the world. There can hardly be no struggle between capitalism and socialism but the struggle between the two proceeds in a complicated rather than simple manner. Ours is a socialist independent country. In carrying out diplomatic activities and trade, economic cooperation, and cultural exchanges with other countries, there are bound to be struggles. Some people intend to influence us with the bourgeois concept of value, lifestyle, and world outlook so as to make us deviate from the course of socialism. We must resist and oppose the corrosive influence of decadent bourgeois ideology. This is a protracted struggle. Some aspects of the struggle in these fields of endeavor are apparently bearing a class brand. When it comes to struggle, we must not adopt the views and practices we did during the "Great Cultural Revolution." We must not use an infantile viewpoint in approaching the Marxist method of class analysis. We must gain a Marxist, comprehensive understanding of the relationship between the bourgeoisie and the proletariat and between capitalism and socialism. Seen from a historical point of view, the proletariat and the bourgeoisie are two classes with diametrically opposed interests. The capitalist society based on the bourgeois private ownership system and the socialist society based on the public ownership system are practicing two sharply contrasting social systems. Only through a proletarian revolution can a transition from the former to the latter be achieved. However, Marxism fully admits that the capitalist society has created a civilization higher than the civilization ever created by all previous societies. To build socialism, it is necessary to be good at inheriting and utilizing the civilization created by the capitalist society. For this purpose, it is even necessary to learn from the bourgeoisie.

It can thus be seen that the infantile and simplistic viewpoint of "fostering proletarian ideology and eliminating bourgeois ideology" must certainly be overcome. However, overcoming the extremely infantile and simplistic viewpoint does not mean that we should go to another extreme; that there is no longer any need to distinguish the proletariat from the bourgeoisie and socialism from capitalism; and that the Marxist theories on class analysis and class struggle no longer work and have become meaningless. We use the comprehensive Marxist theory to overcome erroneous ideas rather than using one form of one-sidedness to oppose another form of one-sidedness. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has opposed the "leftist" practices of distorting Marxism, restored the true features of Marxism-Leninism-Mao Zedong Thought, and applied its principles to the complicated situation in China today with a view to solving the question of how to push socialism forward in the light of China's unique conditions. The more complicated the situation, the more we need Marxism as our guide. Without Marxism as our guide, we would easily become confused in the face of the complicated phenomena in real life.

Marxism has always been developed significantly in a complicated situation. Lenin developed Marxism in the complicated situation in which World War I broke out. China witnessed a great development of Marxism-Leninism-Mao Zedong Thought in the period of the war of resistance against Japan. This is partly because the party had accumulated experiences over the years and was well positioned to sum up some of them and partly because the party was confronted with the complicated situation characterized by national struggle and class struggle. In a complicated situation various erroneous trends will emerge. Marxism is developed in the process of correcting various erroneous trends and of creatively solving many problems cropping up in real life. This has been the case in the past and it will remain so in the days ahead.

Marxism is not a stagnant and closed theoretical system. Marxism must be developed and adapted to the new situation, both domestic and international, to the contemporary world situation, to the contemporary world capitalist situation, to the situation of contemporary world scientific and technological development, to the situation in which we participate in the world's political, economic, and cultural lives under the policy of opening up to the outside world, to our country's domestic situation of reform, and to the situation in the development of China's socialist cause. It is not an easy job but instead, requires strenuous efforts to find satisfactory solutions to the new problems cropping up in real life in view of the various ideological trends emerging in the developed domestic and world situation.

Upholding Marxism and developing it is one and the same thing. Without developing Marxism, we cannot genuinely uphold Marxism and without upholding Marxism, we cannot begin to talk about developing Marxism. If we talk about "development" in the absence of the Marxist basic stand, viewpoint, and method, this will lead to a complete deviation from Marxism rather than to development. If we dogmatically "uphold" Marxism, disregarding the world's present situation and the development of socialist practice in China and of modern science and technology, this can only do harm to the prestige of Marxism rather than really uphold it. To uphold Marxism, we must develop it. How should we develop it then? There are various requirements and standards for developing Marxism. To develop Marxism significantly is not easy. It requires the concerted efforts of many people. As far as people engaged in the social sciences front are concerned, among other things, they should face realities and work hard to genuinely solve one or two problems arising in real life and answer one or two questions raised by the masses of people by using the Marxist stand, viewpoint, and method. They should make fresh statements and contribute novel ideas and strive to avoid making an impression that what they have started is nothing more than the platitudes of an aged scholar. Every one of us can make contributions for the development of Marxism. If the development of Marxism is interpreted as hiding at home to cudgel one's brains to evolve a certain theoretical system, in reality one will be unable to develop Marxism. If we fail to integrate Marxism with the current concrete domestic and international situation and to find solutions to new problems, we will be in no position to really solve the question of whether Marxism has validity and to overcome the trend of putting Marxism in simple and vulgar terms and of negating the Marxist principles in the name of opposing the practice of putting Marxism in simple and vulgar terms. We must thoroughly discard the practices of dogmatically studying and propagating Marxist works. On no account must we confine our Marxist theoretical work to making explanatory notes on classical works and repeating the viewpoints on which conclusions have been reached in Marxist classical works. Linking ourselves with practical work, instead of evading practical problems or the knotty problems raised by the masses of people, we must forge ahead in defiance of difficulties and put forth novel ideas on difficult problems. This is what we mean by upholding and developing Marxism.

II. On the Question of Implementing the Principle of "Letting a Hundred Schools of Thought Contend"

In academic research, we must implement the principle of "letting a hundred schools of thought contend." For this purpose, we must have a correct approach toward the erroneous theories and those who have made theoretical mistakes while making theoretical explorations. It is necessary to encourage people to hold firmly to and obey the truth in the interests of the people and to encourage the notion that everybody is equal before the truth. It is also necessary to conscientiously implement the principle of unity.

Since our research workers are called upon to show courage in solving actual problems and to answer the knotty problems raised by the masses of people, then no one can ensure that his answers will be completely correct. Hence, there is the problem of making mistakes. Why are some people unwilling to find solutions to the most challenging problems? This is because it is easy to make mistakes in finding solutions to such problems. Some people say: In the question of alienation from reality, it is not serious even if we make a mistake but if we make a mistake in handling the most acute problems, it will become a political problem which will be a headache for us. Therefore, we must allow people to err and make detours in the process of exploration. Where there are mistakes, we must use the method of academic discussion and guidance to seek a solution. Of course, be it a mistake or not, we must have discussions and go through the test of practice. No one can prejudge a situation. Regarding any viewpoint, we should allow criticisms and also countercriticisms. We advocate obeying the truth and correcting mistakes in the interests of the people. This is a solemn scientific attitude. A person should not stick purely to his own views and have a narrow outlook on things. This is undesirable and contemptible. Everyone should discuss things on an equal footing. Where there is a real mistake or something is wrong, we should start all over again. So we set the rule as a prerequisite: A mistake is allowed; we cannot "deal a fatal blow at one stroke" where there is a mistake.

We advocate that a Marxist must have theoretical courage and dare to find solutions to knotty problems and to wage a struggle against anti-Marxist ideas. We must have the courage to explore the challenging and acute problems in real life and develop the fine tradition of being scientifically critical and militant rather than bypassing contradictions. In academic work, we should be critical and militant. It seems that we have had less courage to stress this notion in the last few years. The so-called "mass criticism" of the past confused political problems with academic ones and moreover, put politics in vulgar terms. It paid no attention to science and reality. We must avoid repeating this mistake. Marxism has always developed while competing or struggling with various schools of thought. Marxism is a weapon of criticism. It reasons things out by relying on the truth rather than on power and influence or by intimidating people by means of pinning political labels on them. It is necessary to promote a democratic spirit and encourage people to discuss problems on an equal footing and to make a clear distinction between right and wrong. So I am for this statement: I respect your right to speak but I am against your views. This does not mean that since we respect your right to speak, there is no need for us to make a distinction between right and wrong and since we are all correct, we are justified in doing things in a slapdash manner.

While encouraging unity, extensive unity among the people, we must reason things out. We should not freely elevate academic mistakes to the plane of political mistakes. Some problems in social sciences are likely to touch on political ones. Even problems of this kind cannot simply be treated as political ones in our approach. In our opinion, we must adopt a principle of uniting with all academic workers both inside and outside the party who have lofty Marxist ideals. Here "lofty ideals" do not refer to one hundred percent Marxism. In the history of our party, Wang Ming and Wang Ming alone styled himself as a thorough Marxist. We are all determined to apply Marxism and in so doing, shortcomings and mistakes may crop up. Now that we are working together to explore the truth, we should use criticism and self-criticism as a weapon to overcome our mistakes. The assertion of "uniting with the purest Marxists" sounds good but will not serve the purpose in reality. The practice of writing off with one stroke and finishing off with one blow the comrades who have lofty Marxist ideals but have made some academic mistakes is undesirable and harmful. It is true that strict demands should be set on Marxist theoretical workers but it is in fact impossible to expect everybody to be completely correct. Many famous Marxists of the past made errors but we do not negate their contributions just because of their errors. Apart from academic workers with lofty Marxist ideals, there are also academic workers "without lofty ideals of Marxism." They intend to do some academic research. Politically, they support or are at least not opposed to the four basic principles and moreover, they are patriotic. We must also unite with these scholars because we share a common language with them. There is no reason whatsoever why we should implement the principle of unity among non-Marxist academic workers and not do so among the erring comrades within the ranks of the Marxists.

There are no forbidden zones in academic research. Anything that helps social and scientific development, and anything that is needed in the light of reality, should be made a subject of research. An academic worker can do independent research and bring out his own research results. Generally speaking, a scholar's individual research results do not represent the view of the party and the government. The responsibility rests with the researcher both academically and theoretically. Any research results of value should be allowed to be made public so long as they are not against the leadership of the party and against the socialist road. Those which are not suitable for being made known to the public at large can be published among a restricted number of units and people or sent to the parties and quarters concerned for reference.

The correct handling of the aforesaid relationships is very important to the implementation of the principle of "letting a hundred schools of thought contend."

III. On the Question of Academic Freedom

Interrelated with the two questions mentioned above is the question of academic freedom. Many people are now talking about academic freedom, each airing his own views on it. How should a Marxist approach academic freedom?

This may raise a question: Does Marxism fetter people's thought? This should be no problem for Marxists. How can a Marxist think that Marxism presents an obstacle to his liberty? If a man who does not believe in the least in Marxism is forced to use some Marxist terminologies in making his statements, he has to apply some quotations and terminologies so that what he said sounds Marxist. In such circumstances, it is only natural that he will feel less free. However, we, the Marxists, do not force people to use Marxist terminologies in making their statements and to believe in Marxism. If a person is forced to do so, he has to insert some Marxist terminologies into his statements or articles. Is this meaningful? As Marxists, we are also confronted with the fact that on the one hand, we study Marxism genuinely and sincerely and on the other we are still not mature Marxists. To be honest, we are not all mature Marxists. It is impossible for us to ensure that "we can do as we please without departing from the usual practice" and that what we said is in keeping with Marxist principles. As for whether our statements, views, and articles are correct and in keeping with Marxist principles, we must, for our own part, make repeated deliberations and read relevant books and ask people to discuss them and heed their opinions on them, and then make repeated revision on them if necessary. It seems that we have little freedom. Apparently, this involves the question of scientific inviolability rather than a question of freedom. If freedom is interpreted as unscrupulously saying what one wants to say, then Marxists do not hope for such freedom. In the face of new developments and deliberations, these same comrades who can be considered mature may make mistakes or cannot necessarily "do as they please without departing from the usual practice," if they fail to be prudent and to make repeated deliberations. This is a historical experience.

People cannot be forced to believe in Marxism. Marxism spreads itself by convincing people and not by coercion. Before liberation, how could people be forced to believe in Marxism? At that time, Marxism was suppressed and it could not be propagated freely. Moreover, those who believed in it would even have bad luck. Marxism has enjoyed massive trust and support as a result of its scientific truth and ability to best solve China's problems. It was not until the revolution was victorious and the Communist Party became a party in power that the problem of whether people were forced to believe in Marxism cropped up. If you say that a certain person is not forced to believe in Marxism, he will say that he feels pressed and compelled to do so. We must address this problem. Our experience has proved that any coercive forms will not help solve ideological problems. But this problem does exist in the current political course in schools. Students must take such courses. It is impermissible for students to fail in the examinations in Marxist theory. Is this not coercive in nature? What are the results? Many students are not interested in the courses in normal times but when an examination in the courses approaches, they just try to find and recite "standard" answers to the paper. The students should not be blamed for the state of affairs. It is necessary to examine why the courses in politics and Marxist theory do not appeal to the students. With its rich substance, Marxism should have attracted young people's interest. Therefore, it is necessary to reform the contents and teaching methods of political courses. It will not do to use political power and administrative means to compel people to accept an idea. What we can do is encourage study, provide people with the conditions to study, teach the courses in politics and Marxist theory well and reasonably, and convince people by reason. If some people admit that what the party and the state have done under the guidance of Marxism is correct but obstinately refuse to believe in Marxist dialectical materialism and historical materialism, what should be done? We should allow them to do so and wait rather than force them to believe. If possible, we must hold discussions with them. We must not easily draw the conclusion that a person has violated the four basic principles just because some people say that he does not think in line with materialism and dialectics. This practice will not work at all. We must not use coercive methods to solve ideological problems. Violation of the law is another thing. Offenses against the law are naturally impermissible.

Will it help us be free from mistakes if we all willingly study Marxism and use it as a guide in our academic work? Practice has proved that it is not necessarily the case because there are still divergent views on one and the same question. Now that people hold different views on a question, there must be a question of right and wrong. People with different views must respect each other but not be vague on matters of right and wrong. To seek truth, we must pay close attention to academic democracy. As I have mentioned above, I respect your right to speak but I am against your views. This is advisable. The rights and wrongs of academic problems can be solved and tested only through free discussion and practice. In a research body of social sciences, a party organization must not make any decision on the rights and wrongs of controversial views on an academic issue.

Then should academic research not involving the conscious application of Marxism be allowed? Article 47 of China's Constitution says: "Citizens of the PRC have the freedom to engage in scientific research, literature and art creation, and other cultural pursuits. The state encourages and assists creative endeavors conducive to the interests of the people and human progress, by citizens engaged in education, science, technology, literature, art, and other cultural work." In other words, any scientific research work that helps in promoting the creativity of the people should be encouraged and supported. It is not a case of just supporting scientific research work that involves the conscious application of Marxism as a guide. The same applies to research in the social sciences. It should be admitted that some scholars are not consciously applying Marxism as a guide in academic research. But their research contributes toward enlivening socialist academic studies and is beneficial to the people. Is there any contradiction in this approach to things? While encouraging taking Marxism as a guide in our social sciences research work, we also allow some people not to use Marxism in doing their research. Is this approach to things not self-contradictory? It is not contradictory. This is precisely what is meant by taking Marxism as a guide. If we exclude any scholars who do not use Marxist research methods, then this is not taking Marxism as a guide. In the natural sciences community, we encourage the scientists to study Marxism and materialist dialectics. However, first, they are not compelled to do so and second, it must be admitted that research not involving conscious acceptance and application of dialectical materialism can also produce results of value. Things in the social sciences and the humanities are somewhat different. Research in this regard involves a wide range of endeavors. Research not involving conscious application of Marxism is also likely to produce positive results, even greater than research results achieved by the Marxists. Sometimes, a serious scholar is unintentionally applying dialectics and he is in fact a proponent of materialism. This is the case in both the natural and social sciences.

Academic freedom also deals with the problem of how to approach foreign ideological trends while implementing the policy of opening up to the outside world. Our scholars must have the courage and ability to participate in the worldwide contention of a hundred schools of thought. To participate, they must fully understand and conscientiously study various schools of thought in the world. Marxists will be tempered by having discussions with people who hold different schools of thought in the world. In our country, we must not brand the views of a certain person as non-Marxist and antisocialist in an oversimplified way, because such a practice will not help resolve any ideological problems. We must try to learn to argue things by reason. Naturally, we cannot take an oversimplified and crude approach in participating in the worldwide contention of a hundred schools of thought. This is just like the cases in which when the revolution was not yet victorious, in debating an idealist, Marxists could not just say: You are an idealist and have violated Marxism, because that would not serve the purpose. He said: I am an idealist and not for Marxism. You must state clearly why idealism is wrong and why it is wrong to violate Marxism and you have to come up with convincing arguments. Even if you cannot convince others, you must try to make the readers know what you said is reasonable. Putting labels on others in a summary fashion will only show one's superficial understanding of things. China will inevitably be involved in the worldwide contention of a hundred schools of thought. Marxists should be prepared to deal with this development in real earnest instead of checking or banning it. We must analyze and study the various schools of thought in the world. We must absorb useful things and resist and oppose harmful ones in this regard. If we extensively learn from the strong points of the masses by keeping firmly to Marxist stand, we will be able to enrich our scientific research greatly. As for those things which we should resist and oppose, we should also analyze and study them and state our reasons for doing so. This also serves as a test to Marxists. Marxism will make progress by having discussions with people who have different opinions and temper themselves in conducting exchanges with people who hold different schools of thought to absorb useful ideas and concrete research methods. We must not close ourselves to the different schools of thought abroad and instead, what we should do is to conscientiously discuss, study, and criticize them.

Therefore, generally speaking, Marxism favors academic freedom. A free academic discussion includes the discussion of various different views among the internal sections of the Marxist camp and the discussion between Marxism and other schools of thought. In this connection, we must encourage making serious academic comments, since we currently lack such a practice. By being serious, we meant that while knowing the arguments of others and ourselves, we must fully reason things out and thoroughly study them. We must make serious comments on what we have achieved and on various non-Marxist schools of thought.

IV. On Other Questions Concerning Academic Research

FIRST, THE QUESTION OF THE RAISING OF STANDARDS AND POPULARIZATION. What is the task confronting our social sciences front at present, raising standards or popularizing? Generally speaking, we stress the two. As far as the social sciences research bodies are concerned, as I see it, their main task is to raise standards. Of course, this does not mean purposely turning simple things into mysteries or purposely making them abstruse. To raise standards, it is necessary to carry out creative research work. Of course, this does not mean that the work of popularization can be underestimated. No hard and fast line can be drawn between popularization and the raising of standards. The views of some erudite scholars are expressed in a relatively simple form. It goes without saying that we should attach importance to popular and creative works with a degree of depth and place them in an important position.

It must be our task to make the voice of China's social sciences community heard throughout the world. Now there is a view asserting that China is poor in the social sciences and compared with foreign countries, it still has several decades to go in terms of the social sciences and humanities. As I see it, this view lacks an analytical approach. It must be admitted that we are really weak in some aspects of social sciences and have several decades to go in this regard but taking a completely self-abased attitude toward the matter does not conform to reality. We still have strong points or superiority in some aspects of social sciences. Of course, we must exert ourselves in this regard.

SECOND, THE QUESTION OF THEORETICAL RESEARCH AND APPLICATION. Our general principle in this regard is to combine theory with practice. Each branch of learning has its own characteristics. Some branches of learning are closely related to practical work. In studying international issues, we must study the current international situation, because they are directly related to our country's diplomatic and foreign affairs work. Economic research can directly serve the current economic construction. However, relatively systematic theoretical research is indispensable to these branches of learning. Such theoretical research must explain reality and solve practical problems and not be divorced from reality. Some of our branches of learning are themselves theoretical research and therefore, they must attentively integrate with practice and serve practice with theoretical research. For example, philosophical research must serve reform in many ways, including providing philosophical theoretical basis for the methods of thought and work which are being reformed and the changes in people's concepts of value and morality resulting from the reform. Some people suggested that attention be paid to applied philosophy, such as legal philosophy and political philosophy. These philosophies are in fact still in the category of basic theoretical research. For example, legal philosophy provides theoretical basis for enacting laws instead of directly solving the wording of specific legal clauses. There are also some comrades who are engaged in historical research. Superficially, the study of past events cannot directly serve the current practical problems. It is necessary to study history and correctly use historical experience. Historical research may be divided into applied and basic research. To solve a practical problem, it is necessary to trace historical data. For example, to solve the questions of Hong Kong and Macao, we should study the histories of the two places. This can be considered applied research. Naturally, historical researchers are obliged to engage in this "applied research." However, we must not belittle "basic research" just because of this. In carrying out basic research, we can also integrate it with reality in a wider sense. Without basic research as a foundation, applied research will lead nowhere.

Integration of theory with practice involves a wide range of endeavor. Therefore, we must not take a narrow view in this regard. In terms of our country, numerous problems concerning the building of socialist material and spiritual civilization, the reform in the economic structure and other fields of endeavor, our policy of opening up to the outside world, and our political life and ideological front should be solved in theory. We have a lot of things to do. We must consolidate and develop the Marxist theoretical front in various areas of endeavor. As far as our younger comrades are concerned, they should pay more attention to deepening their understanding of Marxist theory.

THIRD, THE QUESTION OF THE INDIVIDUAL AND THE COLLECTIVE. In research work, we must attach importance to the endeavors and creativity of individuals and at the same time, correctly understand and bring into play the role and strength of the collectives. Then what is actually the role of the collectives? We may create conditions for every individual to do research and encourage him to exert himself in his research. This is also a way of doing things. However, the collectives can do more than this. Under the organization and planning of the collectives, we must ensure that every individual can use his strength in the most appropriate place. Some research projects should be conducted by the collective effort and even by the cooperation between different branches of learning. However, to do a good job of collective research, it is necessary to rely on every individual's independent and creative work. The collectives have another role to play, that is, enabling people engaged in studying the same topic or different topics and even different branches of learning to hold academic discussions and exchanges among themselves, each inspiring the other. A good research collective must be a collective that can bring into full play every individual's enthusiasm and ability to work independently, organize forces to carry out specific research, and create an academic atmosphere characterized by discussion and criticism among researchers.

A research collective should conscientiously discuss divergent views, if any, arising among its members. It should neither use the views and propositions of a certain individual to discriminate against those who hold different views nor take a vague and elastic attitude toward this matter. Sometimes, we encounter this phenomenon: When a collective undertakes a thing, say, compiling a book, due to lack of consensus in views, it has to take the common divisor or average and includes only the commonly held views in the book, leaving different views aside. With regard to the book so compiled, can we still talk about creativity? This collective way of doing things may depress the creativity of the individuals and cannot produce anything of value. A research collective should not use an individual's views to exclude others' views, as mentioned above. However, we should also look at this matter dialectically. For example, when a person compiles a book, his views must be predominant. Of course, discussions are still necessary and differing views are bound to arise. Nevertheless, the chief compiler should make the final decision. A good compiler should have definite views of his own and is capable of summing up others' sound ideas and making a clear and definite judgment. He should be responsible for the book he compiled. Those who totally disagree with the chief compiler's views are allowed not to participate in any discussions on the book. (If the book is a collection of theses containing various different views, naturally, it should be treated differently. A chief compiler must determine which different views are well worth recommending to the readers.)

FOURTH, THE QUESTION OF THE OLD AND THE YOUNG. Many of our old scholars have excellent records of schooling and are characterized by their meticulous scholarship. How they conduct themselves and how meticulously they do scholarly research deserve our attention. There are also many young comrades who are lively in thinking, eager to make progress, and readily receptive to new things. Between the old and the young there are middle-aged comrades who constitute the backbone of our current academic contingents. In many units there is a shortage of well qualified, young people capable of taking over the posts of their elders. It is thus necessary to let our young comrades grow more quickly and soundly, to help them make up for their deficiencies and overcome their shortcomings, and to bring their strong points and initiative into play.

The question of the relationship between the old and the young is related to the issue of assuming legacies and creative work in the academic sphere. To blaze new trails in academic work, it is necessary to assume the legacies, that is, the positive results, of our predecessors. People of each generation can surpass their predecessors only by making some fresh contributions on the basis of the cultural achievements scored by their predecessors. Creative work cannot be achieved by relying on a sudden inspiration or the use of some new terminologies. If we fail to embrace the academic achievements of the past and the sound ways of doing scholarly research by our predecessors, creative work will be out of the question. Therefore, from the relationship between assuming legacies and creative work, we can also learn many old scholars are of great value to us. Not resting content with their achievements, they are still working hard to upgrade their own knowledge and to blaze new trails in academic research. To really catch up with the older generation and to achieve greater successes, the younger generation must be good at accepting the positive results of their predecessors and study new problems quite assiduously.

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BRIEF DISCUSSION ON READJUSTING THE STRUCTURE OF FIXED ASSETS INVESTMENT

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[Article by Wei Liqun [7614 4409 5028]]

[Text]

I

In his "Report on the Seventh 5-Year Plan," Premier Zhao Ziyang pointed out: "At present, not only is the scale of investment overextended, but the investment pattern is irrational." One of the important tasks for the Seventh 5-Year Plan period is to rationally readjust the investment pattern on the premise that the scale of overall fixed assets investment of the whole society is kept under control. From an investor's point of view, the speed and economic returns of the development of the national economy are conditional on both the overall investment scale and the investment pattern. While appropriately setting the overall scale of investment in fixed assets, we should allocate and use the investment fund in a rational way and thus ensure that the available limited construction funds will be used properly. This is an effective way to a benign circulation in the national economy.

The so-called pattern of fixed assets investment mainly denotes the destinations of the funds for fixed assets investment and the proportion of funds allocated to different destinations, including the proportions of funds invested in different sectors of the national economy, in productive and nonproductive construction projects, in new projects and the technological transformation of old enterprises, in different localities, in large, medium, and small projects, and so on. The investment pattern not only has a direct bearing on the scale, proportion, and speed of social reproduction and determines the shaping and development of the industrial structure, product mix, consumption pattern, technological structure, and productive force distribution, but also affects to a great extent the utility and social and economic results of the fixed assets investments. Back in 1956, Comrade Zhou Enlai pointed out: "The scale of national construction is mainly determined by the quantity of the funds that we have accumulated and the way we allocate these funds. If we have accumulated more funds and allocated them properly, enlarged social reproduction will be going on more quickly and all the sectors of the national economy will be able to develop in proportion. Therefore, handling in a rational manner the problem of the accumulation and allocation of funds is very important." ("Documents of the Eighth CPC

National Congress," pp 201-202) In light of the history of China's economic development, we can see that, with other factors ignored, the national economy will develop steadily and the economic results will be good whenever a suitable investment scale and reasonable investment pattern are maintained; otherwise, the national economy will develop in a lopsided way or at a very low speed and the economic results will be very poor. Historical experience also shows that the most important means to transform the irrational economic structure is to speed up the development of some deficient sectors and correspondingly slow down the development of some overdeveloped sectors or even cut their investment scale. One of the important measures that we adopted in the economic readjustments in the early 1960's and in the past few years was to increase the investment in agriculture and light industry, keep investment in heavy industry under control, raise the investment in nonproductive construction projects, and curtail the investment in productive construction projects, on the premise of a reduced overall investment scale. As a result, we managed to readjust the seriously disproportionate ratio between agriculture, light industry, and heavy industry and that between nonproductive and productive construction projects, and thus scored rapid results.

The serious disproportions between the major sectors of the national economy have generally been changed once and for all as a result of the readjustments and reforms in the past few years, and the country has now been brought onto the track of continued and steady economic development. However, we have also been faced with some new circumstances and contradictions on our advance. The existing outstanding issues respecting the fixed asset investment pattern are: 1) With regard to the proportion of investments in different material production sectors, the amount of investment in infrastructure and basic industries such as energy, transport, telecommunications, and raw and semifinished materials has been too small. According to preliminary statistics, the proportion of investment in these sectors to the total investment in fixed assets of state enterprises decreased from the 36 percent recorded in the previous year to 31.4 percent in 1985, much lower than the average 44 percent recorded during the period from 1953 to 1980. The proportion would be further lowered to 21 percent if the investments made by collective enterprises, individuals, and other sectors were also taken into account. 2) The proportion of investment in equipment renewal and technological transformation projects has been too small, while that of investment in new projects has been too large. The Sixth 5-Year Plan stipulated that the proportion of investment in equipment renewal and technological transformation to the total fixed assets investment by state enterprises would reach 36 percent in 5 years, but the percentage that has actually been reached is 27.9 percent, and the portion that was actually used to renew equipment and run technological transformation accounted for merely 48 percent of the total investment in equipment renewal and technological transformation projects. 3) The proportion of investment in productive construction projects has been too small while the proportion of investment in nonproductive undertakings has been too large. During the period from 1953 to 1980, the investment in nonproductive undertakings accounted for 21 percent of the total investment in capital construction by state enterprises. The proportion rose to 43.4 percent in the Sixth 5-Year Plan period and to 45.6 percent in 1985. The investment in housing projects accounted for 7.5 percent of the total investment in capital construction in the former 28 years and the proportion rose 21.2 percent in the recent 5 years. Of course, it is true that the proportion of investment in nonproductive undertakings was low in the past and we were lagging far behind. Therefore it was necessary to appropriately raise the proportion in the past few years. It was also necessary to raise by a wide margin the investment in science, education, and cultural causes, and it will still be necessary to do so in the future. However, such a high proportion of the total investment in nonproductive undertakings is evidently unsuitable and can hardly be maintained any longer. The above situation in the fixed assets investment pattern has already exerted and is exerting a series of harmful influences on the development of the national economy.

First of all, it has affected the construction of infrastructure and basic industries such as energy, transport, telecommunications, and raw and semifinished materials and the growth of the production capacity of these industries, and has led to the imbalanced relations between infrastructure and basic industries on the one hand and processing industries on the other and between the growth of transport and telecommunications and the development of the whole economy. The total investment in fixed assets by state enterprises actually fulfilled in the Sixth 5-Year Plan period was 48 percent higher than the original quota, an increase of 67 percent over the Fifth 5-Year Plan period. During the Sixth 5-Year Plan period, great successes were achieved in capital construction and the value of fixed assets increased considerably. However, as the overexpanded processing industries and nonproductive undertakings drew too much construction funds and consumed too much building materials, the construction of many key projects launched by the state has been slowed. The completion dates of 61 key projects related to the energy industry have mostly been postponed. As for 35 key projects related to the energy industry which should be completed in 5 years according to the original plan, only 60 percent of the total investment has been completed by the end of the fourth year since they were started. As a result, the backward situation in the energy industry, transport, telecommunications, and the raw material industry has not been improved but aggravated. During the period from 1981 to 1985, China's industrial and agricultural output grew by 68.5 percent, of which the processing industries represented by the machine-building industry grew by 107 percent. During the same period, generated energy increased by only 35.5 percent, the rotation volume of freight transport of communication and transport departments increased by merely 44.7 percent, and the raw materials industries represented by the metallurgical, chemical, building material, and timber industries increased by merely 56.1 percent. The general shortage of electrical power, the lack of some important raw materials, and the serious shortage of transport capacity caused losses amounting to tens of billions of yuan in industrial output value every year.

Second, it has slowed down the process of technological transformation and development. During the Sixth 5-Year Plan period, the existing enterprises mended their pace in equipment renewal and technological transformation, while some trades and enterprises raised their technological standard. However, as too great a portion of the construction funds was used to launch new projects and almost all of the limited funds invested in technological transformation were actually used to raise the productive capacity, we failed to attain the targeted standard of technological transformation. With regard to the investments in technological transformation projects in the past few years, the portion used to conserve energy and raw materials, to improve the quality and functions of products, and to develop new products accounted for only 19.2 percent of all the funds invested in equipment renewal and technological transformation. It is quite common for enterprises to still operate with backward technology, outmoded equipment, or worn-out equipment that should have been discarded. At the same time, due to a haphazard increase in investment in capital construction, much outmoded technology and many products that the government has ordered discarded are gaining ground again. Such being the case, the national economy has failed to modernize quickly, although the production output has increased.

Third, it has led to an expansion of the overall scale of fixed assets investment. Since the beginning of the Sixth 5-Year Plan, the state has increased in a planned way investment in the energy industry, transport, and other sectors that had long been lagging far behind social development. As an important measure to harmonize the balance between major sectors, this decision is definitely necessary. In order to keep the overall scale of investment under control, it is necessary to cut investments in other sectors accordingly. However, investment in general processing industries, especially the investment in processing industries that are not covered by the state plan, has increased drastically, while investment in nonproductive undertakings has remained high for many years. As a result, the overall investment scale has been expanded beyond the extent that the country's resources can afford. The growth in the investment in fixed assets of the whole society was particularly high in 1984 and 1985—in 1984 it increased by 33.9 percent over the previous year and in 1985 it increased by 35 percent over the previous year, both exceeding by far the 19.3 percent growth in the national income in 1984 and the 20.3 percent growth in 1985, both calculated with reference to the current price level.

Fourth, it has kept the investment returns and the social economic results from being improved. The fact that too great an amount of funds was invested in new projects and the scale of capital construction was overexpanded has led to low output at the cost of high input, a prolonged construction period, and poor results. The delivery rate of the fixed assets investment projects in the capital construction by state enterprises was 86.6 percent in 1981. It dropped to 71.8 percent in 1984 and further decreased in 1985. Meanwhile, the expansion of investment in the processing industries has given rise to many projects that were started at random and many duplicate projects that were not needed. Some projects cannot operate normally long after they were completed because of lack of support facilities. We must also note that we have failed to make full use of the currently available production capacity because those projects currently under construction have drawn too great an amount of funds at the expense of the budget for production and circulations operation. All the above practices have impaired the overall national economic returns. China has always had to invest more than others do to make an increase of 1 yuan in the national income—in the past few years the ratio was around 4.4 to 1 while it was recorded at 2.8 to 1 in Japan. The ratio rose further in 1984. To be sure, these cases are due to many factors and are directly related to the irrational investment structure.

The above circumstances are very unfavorable to the steady development of the national economy during the Seventh 5-Year Plan period, very unfavorable to the efforts to prepare necessary material and technological conditions for the economic take-off and prosperity in the 1990's, and also very unfavorable to our attempt to introduce into the whole economy a benign cycle centering around the improvement of the economic results and based on technological progress. The readjustment of the investment pattern is imperative under the current circumstances.

II

We should mainly devote our efforts to the following work in readjusting the structure and the direction of investment:

It is necessary to keep in line with the need to step up the construction of key projects; continue to increase investment in infrastructure and basic industries such as energy, transport, telecommunications, and raw and semi-finished material industry; moderately increase investment in agriculture, science, and education; and curtail investment in general processing industries correspondingly. Energy and raw materials are important materials to be consumed in large quantities in production, construction, and the people's daily life, while transport and telecommunications are the artery of the national economy. Economic development demands that the energy industry, transport, telecommunications, and the raw materials industry be developed before other production sectors. In many countries, the growth rate of infrastructure and basic industries is generally higher than that of the national economy as a whole in the process of industrialization and modernization. The case is such especially during a period of rapid economic growth. Due to various reasons, we have been lagging far behind in the development of infrastructure and basic industries. Such a state must now be changed. Increasing investment in the energy industry, transport, telecommunications, and the raw materials industry is not only an act to ease the existing social and economic contradictions but also an urgent need arising from the ever-developing modernization process. As the commodity economy is booming daily, production and construction develop on a larger and larger scale, and the people's livelihood is becoming better and better, there is a greater and greater demand for energy, raw materials, and transport and telecommunications networks which can reach every corner of the country. As China is going to implement the policy of opening up to the outside world on a large scale and in a deepgoing way, it is also necessary to develop the energy industry, transport, and telecommunications before other production sectors. All the above circumstances show that without stepping up the development of the energy industry, telecommunications, and the raw materials industry, we will hardly be able to achieve great economic development in the 1990's or later and do a good job in implementing the policy of opening up to the outside world. The development of these sectors requires a large amount of investment funds and the project construction period is comparatively long.

If we do not make preparations right away, the chance will be missed and these sectors will become a drag on the modernization program. At the same time, the modernization program has also set higher and higher requirements on agriculture as a basic production sector. Moderately increasing investment in agriculture, forestry, and water conservation and speeding up development of agriculture are of overall importance and far-reaching significance. In order to speed up the development of science, technology, and intellectual resources, we must also moderately increase investment in science, technology, and education. In order to increase investment in these sectors, we have to cut investment in the general processing industry, otherwise we will be faced with tremendous difficulties in our attempt to step up the construction of key projects.

In order to keep in line with the guideline of expansion of reproduction largely accomplished by intension, we must try hard to raise the proportion of the investment in the technological transformation, rebuilding, and expansion of existing enterprises, while reducing the investment in new projects. The technological transformation of existing enterprises can yield a high output and score rapid results with less input, therefore is an important way of improving social economic results and speeding up the modernization of the national economy. On the other hand, the solution to easing the shortage of energy and raw materials, in the final analysis, must also rely on technological transformation and the popularization of the production processes, equipment, and technology that consume less energy and raw materials. An essential point is that concentrating investment on the technological transformation, rebuilding, and expansion of the existing enterprises is a must and an important measure for accelerating technological development and for achieving economic growth on the basis of technological development. Without this measure, we can hardly raise our production technology standard substantially and the development of the national economy in China will lose strong support. Of course, in emphasizing that more investment should be made in the technological transformation, rebuilding, and expansion of the existing enterprises, we never mean to stop starting new projects. The well-planned and gradual construction of a number of modern backbone projects has an important bearing on the further development of China's economy and the fulfillment of the country's long-term goals. Therefore we still must take real action to ensure that these projects will be completed smoothly. Here lies the key to the necessity of conscientiously implementing the principle that has long been proved effective, namely, the principle of "first production and second capital construction; and first, tapping potential, introducing reform, and initiating transformation, and second, launching new projects." In any case, we can never invest too great an amount of funds in new projects.

In order to keep up with the necessity of raising the country's capacity for continued economic development, we must increase investment in production sectors, correspondingly curb overexpanded investment in nonproductive undertakings, and thus enable the same amount of investment to turn out more production and service capacity. The proportion of investment in nonproductive undertakings has been high in recent years. On the other hand, too great an amount of funds has been spent as the scale of investment has been overexpanded, especially in those building projects other than housing and tourism facilities where the building quality standard is set too high. If this trend is allowed to develop, not only will the expansion of the overall investment scale be hard to avoid, but the growth of investment in productive projects will fall through. Thus, the expansion of the scale of enlarged reproduction will inevitably be affected and we will lose the material conditions for the continued improvement of the people's living standard and the further development of other nonproductive undertakings. The experience of many countries in the world has proved that, under normal circumstances, the investment in projects of nonproductive undertakings, especially in consumptive fixed assets such as houses, can only be raised gradually along with the upgrading of the productive forces. For example, in 1960, Japan's per capita national income was $460, its investment in housing projects accounted for 13 percent of its total investment, and the per capita living space was 7 square meters. In 1975, Japan's per capita national income rose to $4,470, the proportion of the investment in housing projects was raised to 23 percent correspondingly, and its per capita living space increased to 12 square meters. China has a large population and its material conditions are poor--its per capita national income amounts to merely $300 or so. Therefore we can never blindly expand investment in housing and other premise projects regardless of the production development standard. Of course, in emphasizing the necessity of curbing the precipitous increase in investment in nonproductive undertakings, we never mean to slip back into the old rut that overlooks improvement of the people's living standard, but demand that the investment in nonproductive undertakings be kept within the extent that our current productive forces can afford. The construction of new buildings, except some necessary tourism facilities, must be kept under strict control, and a moderate proportion must be maintained of investment in housing projects.

Moreover, in order to keep in line with the current distribution and development of productive forces in our country, we must locate different focal points of investment and fix a suitable investment ratio in light of the resources available and the actual conditions in the eastern, central, and western parts of the country. This will help us develop our strong points and discard our shortcomings, give full play to the advantages of different areas, and raise the social economic results substantially. It can also make the prosperity in the eastern part of the country more readily benefit the development of the central and western parts, step up the process of rationalization of the regional economic layout, and thus help to boost the economy of the country and to enrich the people.

III

In the final analysis, in order to do a good job in readjusting the investment pattern, all of us in China from the leadership to the masses must firmly adopt the view demanding that "all the activities of the nation be coordinated like pieces in a chess game," try to reach a common understanding, take the whole situation into consideration, and act in unison. At the same time, we must vigorously expedite the reform of the economic structure, and adopt suitable measures and policies in light of new circumstances.

Conscientiously strengthening and obeying the guidance and administration of the macroeconomic plan is a prerequisite for the successful readjustment of the investment pattern. The socialist economy is a planned commodity economy based on the public ownership. As the investment in fixed assets plays a decisive role in the whole economy, the investment orientation, proportion, and pattern must serve the needs of the overall development of the national economy. Strengthening in an all-round way the state plan's guiding, regulating, and controlling role in the use of investment funds is an intrinsic need of the planned commodity economy and an important guarantee of a rational investment orientation and pattern. As the reform of the economic structure keeps on developing, a combination of investment by the state, the locality, the enterprise, and the individual is replacing investment by the state as the major form of investment, while investment funds are now obtained through various channels, including bank loans, self-raised funds, trust investment, and the use of foreign funds, besides financial appropriations which used to be the single major source of investment in the past. At present, the investment in capital construction covered by the state budget accounts for less than one-fifth while the investment in other sectors makes up more than four-fifths of the total investment of society. This change can help to invigorate the economy, and bring the adaptability and initiative of various sectors into play. Such being the case, we must not slacken but must intensify the unified planning of and guidance over investment in all sectors. Whether it is investment by departments, localities, or enterprises; or investment by state enterprises, collective enterprises, cooperative economic units, or individuals; whether the investment funds are in the form of budgetary appropriation, loans from banks, or foreign funds, or are raised by investors themselves; and whether it is investment in capital construction or investment in equipment renewal and technological transformation, the state must exercise macroeconomic regulation of and control over all these kinds of investment by different means and in different forms of planning, give the society overall guidance for investment, balance the proportion of different kinds of investment, and make every effort to ensure that different kinds of investment fit the needs of the overall development of the national economy. Therefore, our planning structure and various economic regulatory structure which mainly took care of investments directly made by the state and investments made by state enterprises are now required to take care of investments by the whole society. At the same time, all sectors must voluntarily submit to the guidance and administration of the state plan and rationally allocate and use investment funds in accordance with the state's principle and requirement on the readjustment of investment pattern. If we slacken or ignore the unified planning and unified control by the state, the readjustment of investment pattern will fail.

While trying to keep the overall scale of investment in fixed assets under control, we must conscientiously sort out the projects that are under construction and strictly examine new projects. This is the most important task of top priority in our efforts to readjust the investment pattern in a rational way. Both the overexpanded overall scale of investment and the irrational investment pattern have after all shown themselves in those ongoing projects. Therefore, we should sort out all the ongoing projects in an all-round way, line them up in an order of priority, and handle them in light of different circumstances according to the state's guideline and requirements for the readjustment of investment. Unnecessary premises projects must be resolutely stopped. Long-term investments in processing industries and those projects which go short of funds, energy resources, transport facility, and raw materials should be suspended or postponed according to actual conditions. As for those key projects relating to the energy industry, transport, telecommunications, and raw material production and those technological transformation projects of key enterprises which should be carried on, we should do our utmost to see that they are finished as soon as possible. At the same time, all departments and all localities should rearrange, in order of priority, those projects which have been listed in the plan but have not yet been started, in light of their financial and material conditions and in accordance to the state's guideline for readjustment of the investment pattern; and, in particular, it is necessary to correctly identify and rigidly examine those medium- and large-sized projects which are about to be started, so that our limited construction funds will be used in a rational and efficient way.

Correctly delimiting the scope of investment at different levels and making full use of the state's role in direct investment are measures of basic importance in rationally readjusting the investment pattern. One of the important reasons for irrational development of the investment pattern in recent years is that after the decisionmaking power regarding investment was delegated to lower levels, neither an economic responsibility system has been established correspondingly nor scientific and reasonable regulations have been set forth to delimit the scope of investment at different levels. Many localities, departments, and enterprises are eager to contend for new projects and investment funds, or even go as far as to invest funds and start new projects at random. Since the price system has been distorted and undue emphasis has been placed on partial and short-term interests, attention has been concentrated on nonproductive projects such as general processing industries and the building of residential quarters and other premises. Investors other than the central government have paid less attention to or simply did not want to care about the construction of infrastructure and basic industries. In order to cope with the new situation featuring the in-depth development of the reform of the economic structure and to facilitate and keep up with the rationalization of the investment pattern, it is necessary to correctly delimit the scope of investment and draw up investment guidelines for the central authorities, the locality, and the enterprise, to set up an investment administrative structure under which the scope of investment and guidelines are suited to the investor, and to take different regulative measures toward different investors. Based on this consideration, we should not further delegate to the locality and the enterprise greater decisionmaking power regarding investment before a rational investment administrative structure is set up. Whereas an ideal internal and external environment for investment has not yet taken shape in our country at the moment, we should not vest the enterprise with too great a decisionmaking power regarding investment. At the same time, under the circumstances that the proportion of investment under the state's direct control, relatively speaking, has shrunk, in order to give fuller play to the role of the limited investments directly made by the state, we must not only concentrate investments on a few key projects but must also set aside part of the budgeted investment funds and bank loans as pilot construction funds, and practice the principle of benefits for whoever makes the investment, so as to encourage localities, enterprises, and other investors to contribute funds to launch some engineering projects that the community badly needs. Besides, the state can also issue an appropriate amount of shares or bonds with a view to starting some major projects. The interest rate for the bonds should be higher than that for bank deposits and the government is to pay the discount. By taking these measures, we will be able not only to secure more funds to ensure that key projects will be completed in due course, but we will also prevent investment funds from flowing around without a fixed destination.

It is necessary to take suitable economic policies and give full play to the regulatory role of the economic means. Also, it is necessary to adopt more relaxed policies and continue to give all the circles a free hand to develop the energy industry, transport facilities, telecommunications, the raw materials industry, agriculture, science, education, and other facilities for which the community has an urgent need. At the same time, the state must formulate investment policies for different industries, trades, areas, and purposes to meet the requirements for the readjustment of the investment pattern as well as the needs of macroeconomic development. The state must also swiftly make use of such economic means as pricing, credit, taxation, tax rate, interest rate, and discount rate to guide localities, enterprises, and individuals in investment. For example, it is necessary to give preferential treatment in terms of loan quotas, pay-back period, interest rate, investment tax, and tax rate, to those projects related to the energy industry, transport, and the raw materials industry which are badly needed by society but are not highly profitable; or it is necessary to attract various circles to make investment by moderately raising the prices of their products or services. As for the projects related to processing industries that have a "surplus" of products and those building premises other than tourism facilities, it is necessary to strictly curb the extension of loans, impose new taxes on them, and substantially raise the interest rate for loans as well as the tax rate, with the aim of cutting investment in these fields. As for the technological transformation of enterprises, it is necessary to raise the depreciation rate and give preferential treatment in terms of pricing, taxation, and credit, so that the technological transformation projects' profit returns will be higher than that arising from new projects. The latter measure can arouse enterprises' interest and enthusiasm in technological transformation, and thus prevent them from launching new projects at random. In order to efficiently readjust the investment pattern, we must also resolutely make use of some effective administrative means to establish and perfect the laws and regulations on investment administration and to strengthen supervision of the implementation of the guidelines for investment.

The readjustment of the investment pattern is a very important and complicated task which may affect the overall situation in the national economy and have a bearing on the partial and short-term interests of the locality and the enterprises. In particular, the process of moderately curbing investment in premises and some other fields may contradict to a certain extent the rise in the consumption standard in real life today. Therefore, we must carry out this pretty difficult task resolutely, in a moderate manner, and steadily and carefully. On the one hand we must take a clear-cut stand and be determined to work out a positive and foresighted plan for readjustment of the investment pattern in light of the objective requirements for the modernization of the national economy and adopt effective measures to implement the plan. On the other hand, making sure that we will not go beyond the appropriate limit and contort the fixed proportion, we must pay attention to maintaining a comprehensive balance and always keep the whole situation in mind. At the same time, in regard to the methods and the procedures, we should neither act with undue haste nor demand "uniformity," but should classify specific cases of different trades, localities, and enterprises into different categories, arrange them in order of priority, make comprehensive analyses, and deal with them in different ways so as to guarantee that the readjustment of the investment pattern will be carried on in a planned and orderly way and will score due results.

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A NEW ATTEMPT AT INVIGORATING LARGE AND MEDIUM-SIZED ENTERPRISES

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[Article by Li Changchun [2621 7022 2504], secretary of the Shenyang City CPC Committee]

[Text] Shenyang is one of the old industrial bases built during the First 5-Year Plan period, using key state investment funds. In Shenyang there are 151 key large and medium-sized enterprises under the system of ownership by the whole people. Although they constitute only 3 percent of the city's total number of industrial enterprises, the original value of their fixed assets comprise 72 percent, their output value, 49 percent, and the volume of profits and taxes they handed over to the state, 68 percent. These key large and medium-sized enterprises under the system of ownership by the whole people constitute the city's economic pillar and serve as the main representative of the socialist public ownership. To enliven the city's economy, first, it is necessary to invigorate these enterprises and to fully display the superiority of the socialist economy in which public ownership holds a leading position; among other things, it is necessary to bring into full play the tremendous superiority of these enterprises which are the main force of public ownership. However, for a certain period of time in the past, people have been worried about the development of large and medium-sized enterprises. Many large and medium-sized enterprises were inferior to small enterprises in terms of both growth rates and economic results. Why was it so? A fundamental reason behind this state of affairs is that large and medium-sized enterprises were more "rigidly" fettered by the ossified economic structure, and they thus lacked the proper decision-making power in their operations. The key to infusing fresh vitality and vigor into large and medium-sized enterprises lies in making breakthroughs in the ossified economic structure. In line with this understanding, while carrying out economic restructuring, we must boldly delegate more powers to large and medium-sized enterprises and relax policies on the one hand and guide them in concentrating on the development and reform of their internal departments and strive to explore new management and enterprise patterns commensurate with the socialist planned commodity economy on the other hand. We have made some progress in this regard.

I. Further Intensify and Perfect the Enterprise Economic Responsibility System Characterized by the Combination of Responsibility, Authority, and Benefit by Making Smaller Units the Basis of Cost Accounting in Operation the Breakthrough Point

The superiority of large modern enterprises lies in their size. They are well positioned to use their rich technological and material resources to organize production and to attain marked economic results. However, they also have difficulties in being large. First, in the acute competition common in the commodity economy, they are weak in dealing with contingencies, as people say: "A large boat is difficult to turn." Second, the scope of their management is wide and their human, financial, and material resources are excessively concentrated. This easily leads to rigidity. How can we foster their strengths and circumvent their weaknesses? Inspired by the successful experience of the rural system of contracted responsibilities based on the household, while conducting reforms in their internal departments, some large enterprises in our city took the lead in attempting to make smaller units the basis of accounting costs in operation. The Shenyang Electric Cable Plant is a key large enterprise with more than 10,000 staff members and workers and an annual output value of over 300 million yuan. Previously, the plant practiced centralized management. Its workshops were merely production units "in which the plant authorities assign production quotas to them, supply them with materials, market their products, and handle their profits and losses in a unified way." In the process of production, it was a common phenomenon that the plant's director was up to his ears in work but the staff members and workers were indifferent to the performance of their plant's operation. In the course of reform, they have come to realize that the main reason the workshops showed no initiative in production and operation lies mainly in the fact that responsibility, authority, and benefit were not closely linked. "Without managing household affairs, one cannot value fuel and rice." Therefore, as the first step of reform, they divided their main productive workshops into 14 subfactories engaging in both production and operation, each having its own independent business accounting, assuming full responsibility for its profits and losses, and taking care of its financial affairs. They broke down and assigned the various quotas of the enterprise's operational activities, including funds, costs, profits and taxes, wages, and bonuses, right to the subfactories and delegated the powers in 10 areas, such as sale of above-quota products, assignment and dismissal of cadres, and rewards and penalties--powers which were previously in the hands of the plant authorities--to the subfactories and linked the income of each subfactory's staff members and workers with its profits and taxes as conditions permitted. Thus, the subfactory has become a relatively independent economic entity with its own responsibilities, authority, and benefits. On this basis, the subfactory delegated some power to its workshop sections and teams and groups and some even right down to the staff members and workers themselves. This has thus ensured that "every administrative level has its own authority, responsibility, and benefit," the subfactories do not eat from the enterprise's "same big pot," and the workshop sections and teams and groups do not eat from the subfactory's "same big pot," bringing into play the enthusiasm of the organizations at various levels and all staff members and workers. The past practice under which only a few people, including the plant's director and party secretary, assumed responsibility has been turned into one under which the cadres at various levels and staff members and workers of the whole plant are masters of their own plant. In the past the plant managed its financial affairs in a unified way and spent money, if any, in an egalitarian way. No one ever felt sorry about losses and waste. After the subfactory was encouraged to "take care of its financial affairs," it strengthened its business accounting, "used its funds sparingly," and turned all waste material into a treasure. The enterprise has thus become unprecedentedly invigorated. In 1984 when the practice of making smaller units the basis of cost accounting in operation was introduced, the plant's output value registered an increase of 19.7 percent over the previous year and its profits increased by 98 percent. The plant ranked first throughout the city in terms of total volume of profits and taxes handed over to the state and six of its economic and technological indexes leapt to first place in trade all over the country. In addition, some key large enterprises which have made smaller units the basis of the cost accounting in operations have also scored conspicuous achievements.

Practice has indicated that pumping vitality into enterprises by starting with invigorating the internal "cells" of enterprises is a major change in invigorating large and medium-sized enterprises. First, making small units the basis of cost accounting in operations is the extension of the economic contract responsibility system and also is in itself a more perfect responsibility system. The subfactory (previously, a workshop or department) has its own cost accounting and is directly responsible for delivery of profits and taxes to the state and therefore, it is better positioned to link its performance with the income of its individual staff members and workers and the latter's interests with their labor performance, thus more effectively embodying the socialist principle of distribution according to work done. Second, the practice of making smaller units the basis of cost accounting in operation has further enhanced the awareness of the cadres and staff members and workers on the commodity economy, accelerating the replacement of the old enterprise pattern by the new one. In the past, the relationship between different workshops in a large enterprise was a relationship of exclusive cooperation between different technologies and different working procedures. A workshop was accountable to the enterprise's planning and not to the market. After the workshop was turned into a subfactory which was a relatively independent economic entity, the relationship between different subfactories was not only a relationship of cooperation in production but also a relationship of commodity exchange between the internal departments of the general factory. Accounts in the economic dealings between different subfactories are settled in the form of currency. This will be conducive to putting the subfactory's economic activities on the basis of business accounting, helping its cadres and managerial personnel attentively follow the law of value, learn to study, analyze, and solve problems from the commodity economic point of view, and to raising the enterprise managerial level and the managerial expertise of cadres. Third, the practice of making smaller units the basis of cost accounting in operation and of introducing a graded management based on power sharing between different administrative levels has relatively reduced the scope of decisionmaking and management, helped the managers gain a clearer vision, and put this huge control system--large enterprises--on the basis of effective management by each administrative level and system. This is also an objective requirement for organizing modern mass production in the situation in which production is becoming more and more socialized and specialized.

In early 1985, Zhao Ziyang came to Shenyang to inspect work. He fully affirmed the reform measures taken by the Shenyang Electric Cable Plant. Making the best use of the situation, we promptly spread the plant's experience. The reform was thus rapidly popularized in the city. Of the city's 151 large and medium-sized enterprises, 77 have made smaller units the basis of cost accounting in operations. In carrying out the reform, first, we have persistently proceeded from the actual conditions of every trade or enterprise and not demanded uniformity in solving different problems. A productive workshop is generally turned into an accounting unit within the enterprise, a unit which assumes full responsibility for its own profits and losses. Auxiliary units and logistics departments are generally turned into units with independent management and the status of legal persons. Second, we have persistently followed the principle of combining unified management with separate management. Those units which ought to be under unified or separate management have been so arranged. By doing away with disadvantages and retaining advantages, we have combined the large enterprises' superiority of "being big" and the advantage of "being small" of the various units operated under flexible management into a new and bigger integral superiority. Third, we have correctly handled the relationship between the employees, the subfactory, the general factory, and the state and instituted and intensified a system under which enterprises are put under the control of key cities. Meanwhile, we have also worked out policy measures to constantly improve the methods for making smaller units the basis of cost accounting in operation, thus invigorating enterprises. The output value and taxes and profits of the 77 large and medium-sized enterprises in 1985 were 5.1 percent and 20.6 percent respectively higher than those of the 74 enterprises not involved in the practice of making smaller units the basis of cost accounting in operation.

II. Smash the Old Closed Pattern, Develop Various Forms of Lateral Economic and Technological Association, and Establish an Open-Type Enterprise Pattern Commensurate With the Requirements of the Socialist Modern Mass Production

The old enterprise pattern is characterized by closed and semiclosed management. Its manifestations are as follows: First, efforts are concentrated on making the internal departments of an enterprise either "big and complete" or "small but complete" and on setting up an all-purpose production organizational structure. This mode of production is incongruous with the requirements of modern large-scale industrial production. Second, the lateral ties between enterprises are artificially cut off. Every enterprise is attached to a certain department in charge of economic management. More often than not, enterprises of the same department and trade are grouped by the competent administrative departments by using administrative means rather in accordance with economic and technological internal relations. The formation of these different departments and regions and of the affiliation relationship very often presents an obstacle to the lateral relations of enterprises. If the closed and semiclosed old pattern is not smashed, enterprises will not be able to really become relatively independent commodity producers and handlers and become highly invigorated. Therefore, while invigorating large and medium-sized enterprises, we must pay close attention to the development of various forms of lateral association, set up a new enterprise organizational structure in line with the requirements of economic development, and form a new combination of enterprises.

The Shenyang City Small Tractor Plant is the first enterprise in the city to break away from the all-purpose pattern and to organize lateral associations with other units to develop products in accordance with the internal relations of product development and the principle of specialization and coordination in production. They have broken down the barriers between different departments, between city and countryside, and between different ownership forms and formed a hand-held tractor production and development association on the basis of tens of enterprises in both urban and rural areas. This association is a combine voluntarily formed in accordance with the principle of mutual benefit, equality, and consultation and of specialization and coordination in production. For a dozen or so years in succession since the formation of the association, its output of hand-held tractors has shown an annual average rate of 20.1 percent, its economic results steadily increased, and its products have been given gold medals by the state for their quality. Subsequently, we summed up and popularized the plant's experience, stressing it as a strategic measure to develop lateral associations between enterprises. Since the beginning of 1986, more than 120 large and medium-sized enterprises in the city have established various forms of association and cooperation.

As the first step, we have done away with closed management and taken the path of forming associations. More important is the second step, namely, what form the association should take so that it will become relatively stable. Since the old combination of enterprises which was achieved by using administrative means no longer works, what is the new form then? It is the new-type transdepartmental and transtrade enterprise cluster and enterprise group with top-quality brandnames and state key products as the center, large and medium-sized enterprises as the backing, and with technology, funds, and production cooperation as the link. They are also characterized by multichannel and closer economic relations. At present, the city has formed lateral associations at different levels with the countryside, the city clusters in the central region of Liaoning, and with provinces and municipalities throughout the country. There has thus emerged an association cluster of various types ranging from complete-set equipment supply, cooperative production, production on a general-and-sub-factory basis, licensed trade, raw and semifinished materials production bases, and combination of scientific research and production, a cluster joined by some 5,800 enterprises from 23 provinces and municipalities all over the country. These new-type enterprise associated organizations have displayed their tremendous superiority and significantly increased enterprises' ability to develop products, to offer comprehensive services, and to make their products more competitive, and raised the economic results of enterprises and society at large.

Practice has proved that the emergence of enterprise clusters and enterprise groups complies with the objective requirements of the development of social productive forces and is an important way to invigorate large and medium-sized enterprises and to boost their economic and technological strengths. First, it will help rationally use the productive forces and form an optimum combination of enterprise structure and essential production factors. If several enterprises attached to the same industrial department or to different industrial departments form a relatively stable economic combination to develop the same product or to achieve the same operational target, they will be able to turn their strong points into an integral superiority and combine their forces, to carry out society's production on the basis of a scientific division of work and effective cooperation, and to more rationally exploit and utilize funds, technology, equipment, and other resources so as to achieve better economic results. Second, the emergence of enterprise clusters and enterprise groups will help enterprises make their products more competitive both in domestic and foreign markets and create conditions for large and medium-sized enterprises to enter the international market and participate in global market competition. Along with the accelerated pace of opening up to the outside world and the rapid economic expansion, enterprises, in particular, large and medium-sized enterprises, will have more and more opportunities to participate in the competition in international markets. However, in the situation in which the capitalist economy is highly socialized and the main economic sectors are in the hands of some monopoly groups, to have a foothold in the world economy, our enterprises must have an ability strong enough to develop new products and have ample economic and technological strengths. By forming large groups of enterprise clusters and enterprise groups through association, our enterprises can augment their strengths. Third, the emergence of enterprise clusters and enterprise groups will help smash the old closed structure characterized by administrative compartmentalization, reduce administrative levels, and speed up the separation of the functions of the government from those of the enterprise so that enterprises can really become relatively independent commodity producers and handlers. By mainly relying on large and medium-sized enterprises, these enterprise clusters form lateral economic combines mainly through economic contracts and cooperation agreements and therefore, they need not establish any unwieldy administrative organizations. Hence, this will expedite the reform in the structures of enterprise organization and ownership and in the government organs managing the economy and lay a foundation for thoroughly doing away with the previous management pattern characterized by administrative compartmentalization and closed enterprise management, a pattern under which no distinction was made between government and enterprise functions, and for establishing a new economic pattern.

III. Do Away With the "Unitary" Modes of Production and Operation and Increase Enterprises' Ability To Deal With Contingencies

In the past, large and medium-sized enterprises were accountable merely for state plans and not for the market. Therefore, their product mix was unitary and their production was "consistently growthless" for several decades. The development of the commodity economy and increasingly intense market competition have greatly buffeted the "unitary" modes of production and operation followed by large and medium-sized enterprises for years. Faced with this new situation, some large and medium-sized enterprises in our city took an active attitude toward the changed situation and effected a gradual shift in the strategy for their operations. While developing their own main products, they fully utilized their own superiority in human, financial, and material resources, changed their operations from being single-item-based to trade-based, and developed diversified undertakings. The Shenyang Heavy-Duty Machinebuilding Plant is a large enterprise with 22,000 employees or more and 240 million yuan of fixed assets, mainly producing large mining, forging, pressing, and steel rolling equipment. Being used to fulfilling the quotas for major products covered by mandatory planning, the plant has been indifferent to the market for quite some time. In 1981 when readjustments were made in the national economy, state mandatory plans were sharply reduced. As a consequence, the plant's production dropped and it became an enterprise operating in the red, suffering from the "unitary" mode of operation. In recent years, they have discarded the burdensome practice of "eating" mainly from mandatory planning and begun exploring the path of developing diversified undertakings with a trade as the basis, It has initially undertaken some 30 business projects through 5 newly opened channels so far. First, it fully utilized its own superiority in technology and management and conducted technical consultancy services and various forms of software export. It has signed 450 contracts on technical consultancy services with transactions amounting to 7 million yuan or more within 2 years. Second, it offered installation services and technical training to the users. It has earned an additional income of over 200,000 yuan from such business activities within 2 years. Third, it undertook construction projects. After ensuring their own smooth production and operation, they organized the superfluous personnel to contract for construction projects inside and outside the plant. They have completed dormitories with a floor space of 61,000 square meters to date, saving a lot of funds. Fourth, it opened businesses in the commercial, catering, repair, and service sectors. They have successively set up two trading companies handling all sorts of commodities, one shopping center, and seven cooperatives, and also run a large hotel capable of receiving foreign guests. Fifth, it developed transport services. They have set up a subfactory in charge of transportation, rationally used their motor vehicles, and conducted business activities open to the public while ensuring the fulfillment of the production quotas of the enterprise's internal departments. By developing a diversified economy, the plant's passive position in production and operation has rapidly changed. The profits it created in 1984 and 1985 increased by 69 percent and 47 percent respectively over the previous year.

Developing a diversified economy has become the inexorable trend of the development of a considerable number of large and medium-sized enterprises. Among other things, as the inevitable outcome of the development of the commodity economy, it can meet the urgent needs of market competition. It must be noticed that every product has a certain circle of utility and every business has its own limitations in scope. In the face of market competition, if enterprises concentrate on developing a single product or carry out one-product operations as they did in the past, the risks they face are too serious. To be in an impregnable position in market competition, enterprises should define a strategy for developing a diversified economy in line with the characteristics of the commodity economy and the ever changing market, open up new avenues of operation in the light of market demand and society's needs, and find avenues of prosperity through economic invigoration so that they can both meet the multiple needs of the market and society and attain better economic results. At the same time, generally speaking, large and medium-sized enterprises have the capability to develop diversified undertakings. They have rich human, financial, and material resources and huge potential for further development. Developing a diversified economy with a trade as the basis will enable large and medium-sized enterprises to put their multiple functions to good use in more extensive fields of endeavor and to use their potential in various ways more fully and it will also enable enterprises' surplus personnel to display their abilities and to make fuller use of their superfluous equipment.

The above-mentioned three links of invigorating large and medium-sized enterprises are interrelated, each promoting the other. By making smaller units the basis of cost accounting, enterprises will have a dynamic force inside. By expanding lateral relations, we can infuse vitality and vigor into enterprises and create external conditions for enterprises to develop a trade-based diversified economy. Moreover, only by developing a diversified economy can enterprises' potential be tapped more extensively and lateral relations be consolidated and developed.

Invigorating large and medium-sized enterprises and establishing a new pattern for socialist state-owned large and medium-sized enterprises, a pattern with Chinese characteristics, are an important task of the economic structural reform as a whole. Many problems in this respect still need solutions. As a city carrying out comprehensive experiments in restructuring the economy, we will constantly make new explorations both in theory and practice in line with the direction charted by the central authorities.

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DISCUSSING METHODOLOGY FOR THE STUDY OF THE SCIENCE OF LEADERSHIP--PREFACE TO 'THE SCIENCE OF LEADERSHIP'

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[Article by Xiong Fu [3574 1788]]

[Text] The book "The Science of Leadership" compiled by some comrades of the Philosophy Research Institute of the Academy of Social Sciences of Henan Province is to be published by the RED FLAG Publishing House. I have been asked to write the preface to the book. So I would like to take this opportunity to give some views on establishing the Marxist science of leadership, which has Chinese characteristics and conforms with the needs of the construction of the socialist modernization.

Leadership is a school of art and a science. The reason that we call it a science is because no leaders will be able to achieve successes if they have not grasped the law of social development, the laws of the objective world and the law of leadership behavior. Over the past 65 years, our party has many times suffered setbacks and made mistakes in the activities of its leadership not only in the new democratic revolution but also in the socialist revolution and the socialist construction, but it has accumulated a wealth of leadership experiences. In the historical documents of our party and in the works written by the veteran proletarian revolutionaries of our party, we can clearly see that our party has not only continuously summed up the experiences and practices of its leadership but also formulated systematic and scientific principles and regulations (including political, ideological and organizational principles and regulations) which have already been embodied in the traditional style of our party's leadership. This is an undeniable fact of history.

No doubt, the science of leadership is to raise our party's rich leadership experiences which have been proved correct in practice due to a theoretical attitude or in another word, to promote them from their perceptual formation to their rational formation, to bring to light the law of leadership behavior and to rearrange, sum up and synthesize the summarized leadership experiences so as to systematize and theorize them. Deviating from the experiences gained in the historical practice and realistic practice of our party's entire leadership work will be impossible for us to establish any science of leadership, let alone the Marxist science of leadership, which has the Chinese characteristics and conforms with the needs of the construction of the socialist modernization. When talking about the science of leadership, we should not abandon or negate our party's leadership experiences accumulated over the past decades.

No doubt, to sum up our party's leadership experiences and raise them to a theoretical level is an important topic to which our social scientific field should pay great attention and carefully study. And in order to do this, we must have a correct stand, viewpoint and method. And only Marxism can provide us with the correct stand, viewpoint and method. If we kept to the nonproletarian stand and applied the historical idealism and metaphysical method in summing up our party's leadership experiences, it would be impossible for us to come to a correct conclusion. The science of leadership we are talking about should be and must be in essence the Marxist science of leadership or the science of leadership with Marxism as its guiding ideology. When talking about the science of leadership, we should not indiscriminately copy Western bourgeois theories and adopt a cold and negative attitude toward or even cast doubt upon and lose confidence in Marxism's guiding position in the science of leadership.

Marxism has not only in a general sense pointed out the correct orientation and laid a solid foundation for the establishment of the science of leadership but has also decided in a specific way the theories, principles and methods for the science of leadership because Marxism has always treated the leadership of the proletariat and the leadership of the proletariat's political parties as a science. So, in order to establish the Marxist science of leadership, on the one hand, we must completely and correctly grasp and understand the expositions on the science of leadership in the Marxist classics. On the other hand, we must apply the Marxist stand, viewpoint and method to theoretically summarize the experiences of our party's leadership. Only by organically combining the two aspects of work will we be able to enable the science of leadership to become a true science. If we put aside the guidance of Marxism and ignore our party's practical experiences but only copy some Western book knowledge or just accumulate a large number of experiences but do not sum them up in a theoretical way, it will be difficult for us to establish a true science of leadership.

However, the scientific nature of the science of leadership is also shown in the fact that the science of leadership needs to absorb the relevant achievements of the contemporary social sciences, natural sciences, intersected sciences and peripheral sciences and so on. This conforms with the demand of sticking to and developing Marxism. If Marxism was originally established on the basis of absorbing the achievements of all the progressive cultures of mankind, then the positive achievements of contemporary cultures of mankind (including the new worldwide technological revolution) will no doubt become an important basis for pushing forward Marxism in our times. However, just as Marxism which is a scientific ideological system is not the summation of individual inferences and conclusions, when absorbing the achievements of contemporary sciences, the Marxist science of leadership does not mechanically add all the scientific knowledge together, but instead, analyzes, distinguishes and absorbs through selection the rational parts of various kinds of knowledge, and then combines them into a comprehensive science which conforms with the demands of dialectical materialism and historical materialism. So we should not see the science of leadership as a simple collection of natural sciences, use the achievements of natural science to negate the contents of social sciences in the natural sciences, and especially negate the important position and role of Marxism in the science of leadership.

The science of leadership should be developed along with the development of people's social life and social practice. In order to bring to light the law of leadership behavior, absorb beneficial leadership experiences and carry forward the original ideological achievements, it is necessary for us to theoretically sum up our party's past leadership experiences, collect and sort out the various existing inferences and viewpoints. However, this is still not enough because the historical leadership experiences and their theoretical summation are specific products under the relevant historical conditions and do not wholly conform with the situation and needs of the present leadership work. Our country's modern social life and social practice are developing with giant strides and numerous new situations and new questions are emerging in an endless stream, so the leaders are required to make timely and correct decisions. This requires a new development in decisionmaking theory and principle and the formulation of new regulations. And at the same time, we need to adopt modernized methods and measures. In order to meet this new development, the leadership structure needs to be further reformed and perfected, and the quality of leaders also need to be improved so as to reach a higher standard. Therefore, we cannot always depend on our old experiences in doing things, but instead, we need to create new experiences; we cannot just repeat our old conclusions, but instead, we should establish new principles; we cannot just rely on our old leadership structure, but instead, we need to reform our leadership structure; we can no longer pose as "rough and ready fellows," but instead, we should learn and use new cultural knowledge and scientific and technological knowledge.

Our science of leadership must conform with the needs of our country's construction of socialist modernization at present. As an ideological system, socialism refers to the Marxist scientific socialism. Our science of leadership should first of all become a component part of scientific socialism or be based upon it. Only on this basis can the science of leadership cast away the influence of bourgeois ideology, stick to the correct orientation, maintain its quality as a component part of scientific socialism so as not to publicize some Western bourgeois ideological trends as prodigies. Socialism as a kind of social system refers to the social system under which public ownership of the means of production has been realized, distribution according to work is carried out, all the members of the whole society can enjoy common prosperity, the working people are the masters of the society, and the socialist material civilization and the socialist spiritual civilization have greatly developed. Our science of leadership should suit the socialist system, and we should not indiscriminately copy and use all those things which suit the capitalist social system. Comrade Deng Xiaoping once said that we should learn the methods of the Western capitalist countries, but not the Western capitalist system and ideology. From this, we know that the modern science of leadership guided by Marxism and suited to the socialist system fundamentally differs from the modern science of leadership guided by the capitalist ideological system and suited to the capitalist social system, so we cannot lump the two together.

No doubt, it is necessary for us to learn and refer to the Western modern theory of leadership and administrative science according to the principle of "making foreign things serve China." However, we must proceed from the stand of dialectical materialism and historical materialism to carry out specific analysis of them and should not blindly copy them. First of all, we should absorb their reasonable essence, digest it and make it serve us. Second, we should try to find enlightenment from some general expositions, but should be on guard against the class prejudices behind those abstract concepts so as not to be influenced by the class prejudices. Finally, we must negate those completely wrong and even reactionary ideological contents. We must be particularly on guard against the influence of capitalist liberal ideology on our science of leadership and must not turn our science of leadership into a dependency on the Western bourgeois ideological trends which are decadent, unscientific and full of class prejudices.

Our science of leadership should fully embody the Chinese characteristics. We should know that the activities of leadership are a kind of social behavior which mainly act on the superstructure and the relations of production and have such functions as making decisions, giving guidance, organizing, directing, administering, supervising and so on in the superstructure and the relations of production. The quality, role and consequence of these functions vary from class to class, from country to country, and from nation to nation. This is because these functions are closely linked with the wills of different classes, countries and nations and the powers that originate from them. That is to say that the leadership behavior is the centralized manifestation of the wills and powers of different classes, countries and nations. So, in the superstructure and the production relations, the leadership behavior not only shows its general characteristics but also shows its special characteristics. We will not only bring to light the special law of the leadership behavior in the contemporary capitalist countries, the special law of the leadership behavior in the contemporary socialist countries but also bring to light the more special law of the leadership behavior in China which is also a socialist country. Having brought to light the law of the leadership behavior in the contemporary capitalist countries does not mean that we have brought to light the special law of leadership behavior in the contemporary socialist countries. That we have understood the general law of the leadership behavior in the socialist countries does not mean that we have understood the special law of leadership behavior in socialist China. That we have understood the past law of leadership behavior in China does not mean that we have understood the more special law of leadership behavior in China during the new period of socialist construction. So we need to sum up the rich experiences, art and methods of leadership of the Communist Party of China over the past decades, and especially those since the 3d Plenary Session of the 11th CPC Central Committee, and on this basis, to establish the science of leadership with Chinese characteristics.

The science of leadership with Chinese characteristics should stress summing up our party's experience of leadership at the present stage. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has implemented the policy of opening up, invigorating the domestic economy and reform, led the people of all nationalities of our country to carry out the construction of socialist modernization, created and accumulated numerous fresh experiences of leadership and carried out a series of theoretical summations concerning the work of leadership and the methods of leadership. All these have been written in the "Selected Works of Deng Xiaoping" and some other important documents. A lot of important decisions made by our party have had a great influence at home and abroad. These decisions made by our party show that our party has created new theories, used new decisionmaking methods and applied modern scientific and technological achievements and methods. We must particularly collect, analyze and study these new developments.

Generally speaking, only by considering the characteristics of China and using the stand, viewpoint and method which have the characteristics of the Chinese Communists to theoretically sum up the practical experiences of a series of leadership behavior created exclusively by China can we find out the law of leadership behavior of China and establish the science of leadership with Chinese characteristics. China is basically a big, poor and populous country in which the majority of the population live in rural areas. China has been transformed from a semicolonial and semifeudal society into a socialist country. China has experienced ups and downs in its development and finally entered a new period of building the socialist modernization. At present, China is experiencing a profound change which touches relations concerning the interests among the people and traditional ideas. Internationally, China has become an important factor in safeguarding the peace, safety and progress of mankind. China has taken the four cardinal principles as the basis of its founding. All these characteristics have not only explained the peculiarity of contradictions between the leadership behavior and the function of the leadership behavior in China but have also determined the peculiarity of the law of China's leadership experiences and leadership behavior. The CPC Central Committee's "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" points out that the Mao Zedong Thought characterized by the integration of the general principles of Marxism and Leninism with the specific practices of the Chinese revolution and the stand, viewpoint and method of Mao Zedong Thought possess the characteristics of the Chinese Communists. If we use the stand, viewpoint and method which possess the characteristics of the Chinese Communists to sum up the creative experiences of China's leadership work, we will surely establish the Marxist science of leadership which possesses the Chinese characteristics and conforms with the needs of the construction of the socialist modernization.

The Chinese nation has many fine historical traditions and excellent ideological and cultural heritages which we should absorb in establishing the Marxist science of leadership according to the principle of "making the past serve the present." We should pay particular attention to absorbing our party's fine traditions formed during the past decades and the rich leadership experiences accumulated over the past decades and their crystallization in establishing the science of leadership. Comrade Mao Zedong once said that "besides striving hard, setting a good example and performing official duties, the leading comrades of our party should also commend the honest and ban corruption. This is one of the characteristics of the liberated areas of China." ("Selected Works of Mao Zedong," Vol 3, p 997) These fine traditions established by our party's leading cadres in the liberated areas yielded positive results everywhere in the whole country after liberation and have become the fine traditions of the majority of the leading cadres. Our party's three important styles of work are the outstanding characteristics of the leading cadres of the Chinese Communist Party. In their works, Mao Zedong, Zhou Enlai, Liu Shaoqi, Zhu De, Deng Xiaoping, Chen Yun and other veteran proletarian revolutionaries have given brilliant expositions on the work, art and methods of leadership. The science of leadership which reflects our party's fine traditions and rich leading experiences formed over the past decades will surely embody Chinese characteristics.

It is true that the feudal society which had existed for several thousand years and the semifeudal and semicolonial society that once existed in the modern history of China have left us a deep-rooted concept of small-scale production and the pernicious bureaucratic habits. Modern leaders must struggle against these pernicious forces of habit and outworn concepts. In the meantime, since our country is now implementing the policy of opening up the country and opening up to the world, the decadent bourgeois ideology and bourgeois living style will inevitably influence people's minds for a long time. Modern leaders must carry out struggle against such all-pervasive corrosive phenomenon. These two aspects of struggle are closely linked with our ongoing reform of the party and state leadership structure and the cadre system. This situation is also one of the characteristics of the science of leadership in China when being embodied in the science of leadership of China.

In order to establish the Marxist science of leadership which possesses Chinese characteristics and conforms with the needs of the construction of the socialist modernization, the theoretical workers of our country have made a lot of useful attempts and written some monographs. "The Science of Leadership" compiled by the Philosophy Research Institute of the Academy of Social Sciences of Henan Province is one of these monographs. I hope that more theoretical workers will take part in this important and creative work of exploration and research.

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CONSCIENTIOUSLY STUDY MARXIST THEORY ON RELIGION AND THE PARTY POLICY FOR RELIGION

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[Article by Jiang Ping [3068 1627]]

[Text] During the socialist historical period, how should we correctly understand and treat religion? This is an important problem which should not be neglected. In 1982, the CPC Central Committee summed up both positive and negative experience in dealing with religious problems and proposed basic viewpoints and policy for religion during the socialist period in our country. It has been greatly successful in handling religious problems and has created a new situation in religious work. At present, the entire party has attached importance to the study of the policy for religion, and academic and religious circles as well as religious workers are greatly interested in the study of religious theories. Ideologically, they are unprecedentedly active. People support the basic viewpoints and policies of the CPC Central Committee. In the meantime, some people have a different understanding of them, and have aired some different views on the new problems occurring in practice. In this article, I would like to talk about my personal understanding and express my views.

I

Religion is a kind of historical phenomenon in human society; it follows a pattern of beginning, developing and elimination. A history of religious development has shown that religion did not occur with the appearance of mankind. It occurred after social productive forces had expanded to a certain stage, and the thinking ability and ideology of mankind considerably developed. The early occurrence of religion reflected primitive man's mystery of natural phenomenon when the level of productive forces was very low. Engels pointed out: "Religion arose in very primitive times from erroneous, primitive conceptions of men about their own nature and natural forces surrounding them." ("Selected Works of Marx and Engels," Vol 4, p 250) After mankind entered a class society, the deepest social roots attributed to the existence and development of religion was that being unable to understand and free themselves from oppression by an exploitive system and exploiting classes, people erroneously attributed such oppression to certain alien and blind forces; being in intense fear and despair due to the great suffering imposed on them by the exploiting classes and class oppression, people intended to use certain supernatural forces to get rid of the sufferings, and the exploiting classes used religion as a spiritual means to poison and control the masses in order to safeguard their rule. In a class society, it is precisely because of the utilization of the exploiting classes that religions extensively develop.

Religion produces its influence over human society immediately after its occurrence. How should we understand its essence and role? Engels said: "Now all religion is nothing but the fantastic reflection in men's minds of those external forces which dominate their daily life, a reflection in which terrestrial forces assume the form of supernatural ones." ("Selected Works of Marx and Engels," Vol 3, p 354) Marx pointed out: "Man created religion, and not vice versa... However, man is not an abstract thing living outside the world. Man belongs to the world of man, that is, the state and society. The state and society give rise to religion, namely a reverse world outlook. It is because the state and the society themselves are a reverse world." ("Selected Works of Marx and Engels," Vol 1, p 1) Here, Marx profoundly brought to light the cognitive and social roots of the occurrence of religion, and the essence of religion in terms of its distinguishing feature and its relations with the society. In other words, religion meant a "reflection of illusion" and a "reverse world outlook," namely, a "general theory" and "all-embracing guiding principle" on the "reverse world." With regard to the social role of religion, Marx pointed out: "The suffering in religion is a manifestation of the suffering in the real world, and also a protest against the suffering in the real world. Religion is the sigh of the oppressed people, and a feeling in the ruthless world. Like a spirit in spiritless world, religion is an opium of the people." ("Selected Works of Marx and Engels," Vol 1, p 2) Lenin highly praised this famous remark of Marx, saying that it "is the cornerstone of all Marxist world outlook on the religious problem." ("Selected Works of Lenin," Vol 2, p 375)

In recent years, some comrades have put forward an idea that regarding religion as opium was not a creation and invention of Marx. Therefore, they negate the idea. It was true that while using materialist viewpoints to study religion, many bourgeois scholars in Europe before Marx pointed out the role of religion in poisoning the people. Heine said: "The relations between religion and opium are much more closer than most people have imagined." ("A Talk With (Adolf Starr) and (Fanny Leo)") With regard to the problem of criticizing religion, Marx and bourgeois scholars, who used materialism to study religion, had common ground. However, we should not negate the poisonous role of religion over the people simply because the remark that religion was opium was not first uttered by Marx. We should not negate the remark "religion is the opium of the people."

Unlike bourgeois scholars, Marx and Engels never remained at the level of merely using materialism to understand and explain religion. Instead they used dialectical materialism and historical materialism to systematically study religion, and explain the correct attitude and policy adopted by the working-class political parties toward religious problem. All this formed the entire Marxist world outlook on religious problem, namely scientific and comprehensive theory on religion. This theory included objective law governing the occurrence, development and elimination of religion, basic viewpoints on the social nature of religion, its essence and role, and relations between religion and culture as well as the guiding principles and policy of the Marxist political parties toward religious problem. Therefore, we should not limit the Marxist outlook on religion merely to "religion is an opium of the people." However, this remark is an important component part and "cornerstone" of the Marxist outlook on religion. It should never be shaken. If we negate the remark "religion is an opium of the people," there will be no comprehensive Marxist outlook on religion.

It should be pointed out that at present there are truly some people who understand the remark "religion is an opium of the people" in an oversimplified and lopsided way. They know nothing about the cognitive and social roots attributed to the occurrence of religion, and about its complicated social nature which develops in the course of expansion. They believe that the Marxist outlook on religion is only limited to the remark that religion is an opium of the people and that religion can only play its poisonous role. Of course, the idea should be overcome. We should profoundly study, and comprehensively and correctly give publicity to the Marxist theory on religion. In history, revolutionary people and classes made use of religion. We should make a specific analysis of the role of religion. For example, the bourgeoisie in Western Europe launched three big uprisings to oppose the feudal system. They staged their uprising twice under the cloak of religion to direct their spearhead of attack against the great international center of feudal system--the Roman Catholic Church. The first time was the so-called religious reform carried out by Martin Luther (in 1523 and 1525). The second time was the revolution in Britain which found out theory readily available for reference in Calvinism. Engels said: "While the Lutheran reformation in Germany degenerated and reduced the country to rack and ruin, the Calvinist reformation served as a banner for the republicans in Geneva, in Holland and in Scotland, freed Holland from Spain and from the German Empire and provided the ideological costume for the second act of the bourgeois revolution, which was taking place in England. Here Calvinism justified itself as the true religious disguise of the interests of the bourgeoisie of that time." ("Selected Works of Marx and Engels," Vol 4, p 252) The Taiping Revolution, the Yihetuan Movement and the uprising of the people of Hui nationality made use of religion as a banner and basis for their uprisings. It was because the "sentiments of the masses were fed with religion to the exclusion of all else; it was therefore necessary to put forward their own interests in a religious guise in order to produce an impetuous movement." ("Selected Works of Marx and Engels," Vol 4, p 251) All this showed that under complicated social and special conditions, religion could play its special role. Although revolutionary people and classes made use of religion, the remark that "religion is an opium of the people" should not be negated. Even when they were making use of religion, they could not avoid the influence of the negative role of religion. All this has been proved by the European and Chinese history.

With regard to the problem of exploiting classes making use of religion, we should start our analysis from their attitude toward religion after becoming ruling classes. Only thus can we deepen our understanding of the poisonous role of religion. According to the Marxist dialectical materialist viewpoints, religion is an ideology, and a reflection of the economic base. It cannot but change with the changing of the economic base. Marx and Engels said: "It was very obvious that with great historical changes of the social system, the viewpoints and outlooks of the people also changed. In other words, people's religious outlooks would also undergo changes." ("Complete Works of Marx and Engels," Vol 7, p 240) Let us take Christianity as an example. Engels said: At the beginning it was a religion of slaves, but later became a stronghold of the feudal system. After winning their victory in revolution by making use of religion, the British bourgeois class again utilized religion to rule the broad masses of people. "His religion had supplied the standard under which he had fought the king and the lords; he was not long in discovering the opportunities this same religion offered him for working upon the minds of his natural inferiors, and making them submissive to the behests of the masters it had pleased God to place over them." ("Selected Works of Marx and Engels," Vol 3, pp 393-394) Here, the problem is already very clear. The reason why religion can be used to "work upon the minds of his natural inferiors," and making the lower classes submissive is that it is a "spiritual opium" which can play a poisonous role. It is precisely because of this role that different exploiting classes or groups make use of religions or religious sects which they think suitable. It is not at all important whether they themselves believe in these religions. As far as China is concerned, we know that feudal landlord classes controlled and utilized Buddhism for a long time since it had spread to the country during the Han Dynasty. While utilizing Buddhism, the rules of the Yuan, Ming and Qing Dynasties also made use of its Lamaism sect and Islam as a spiritual mainstay to rule the minority nationalities concerned. In modern times, Catholicism and Christianity were manipulated and utilized by the imperialists to invade and oppress China. Therefore, we say that the main social role of religion as "opium of the people" is to poison people.

II

During the socialist period, exploiting classes as a class have been eliminated. Class roots attributed to the existence of religion has been basically abolished. It is not necessary for a socialist society to make use of and develop religion. Under such circumstances, does it mean that the conclusion "religion is an opium of the people" has been outmoded? The answer is no. It is because religion still exists. Due to the fact that the development of people's consciousness always lags behind social development, the old ideology and habits left over from the old society and religious concepts formed over a long time in the past cannot be thoroughly eradicated in a short period of time. It needs a long process of struggle to greatly enhance social productive forces, extensively enrich material wealth, establish a high degree of socialist democracy, and highly develop education, culture, science and technology. It is impossible to completely get rid of within a short period of time various kinds of difficulties and hardships brought about by natural and man-made calamities. Class struggle still exists within a certain scope, and the international environments are complicated. Religion as a kind of ideological system and world outlook is still characterized by its adaptability and conservativeness. Therefore, it is unavoidable that the influence of religion over some parts of people in the socialist society will exist for a long time. Such being the case, the poisonous role of religion has still existed.

However, the poisonous role of religion under socialist conditions is different from its role in a class society in which it is used by the exploiting classes to rule the people. This is because religion cannot but be restricted by social system, and undergo changes with the changes of the social system. After the liberation, with the profound reform of the socialist economic structure and great changes of religious system, there was a complete change in the religious conditions in our country. Feudal privileges and exploitative and oppressive elements in the religion have been abolished. Religion has been separated from politics, law and education. The religious belief of the masses is only a problem of ideological understanding in the ideological field, and a private matter of individual citizens. Most people in the religious circle and professional religious personage are patriotic. They observe law and support socialism. The number of those counterrevolutionary elements and bad elements who oppose the constitution and socialism, or even have illicit relations with foreign countries is very small. Religion has become an undertaking run by the masses who believe in religion. The negative role of religion has been restricted, whereas its good tradition has been carried forward. Religion is undergoing changes in a direction which is more adaptable and coordinated with socialism. The broad masses of people who believe in religion are taking an active part part in the construction of a socialist society. Many of them have made a greater contribution. To put it briefly, all this has shown that the relations between religion and other things in the society are undergoing changes. Political thinking and the outlook of religious believers and their organizations have also changed. However, the essence of the ideology and world outlook of religion remains unchanged. The social role of religion, which is determined by its own nature, has not changed despite the restrictions imposed on it by the objective environment. Religion is still a "reverse world outlook," that is, idealism in the garb of religion. Such a world outlook directly conflicts with the world outlook of materialism and atheism. Therefore, the poisonous role of religion in ideology should not be negated. Of course, due to the fact that socialist ideology, which is guided by Marxism, is occupying a predominant position, the poisonous role of religion cannot but be restricted to a certain level.

Communists are materialists who do not believe in religion. They firmly believe that religion will eventually wither away. They understand that in socialist society conditions for eliminating religion have not yet been ripe. It is only when mankind has eliminated classes and acquired the ability of controlling natural forces through long-term development of socialism and communism, and when the social and cognitive roots attributed to the existence of religion have been abolished that religion will wither away. Just as Marx pointed out: "It is only when relations in practical daily life have become rational relations between men on the one hand, and between men and nature on the other that the reflection of religion in the practical world will disappear." ("Complete Works of Marx and Engels," Vol 23, pp 96-97) Therefore, communists should not take the acceleration of the elimination of religion as a practical task of a socialist society, still less use administrative order, or other oversimplified and impetuous methods to interfere in and prohibit some masses from believing in religion. The resolution adopted by the 6th Plenary Session of the 11th CPC Central Committee points out: "Upholding the four basic principles does not mean that religious believers should give up their religious belief. They are only asked not to carry out propaganda of opposing Marxism-Leninism-Mao Zedong Thought." In both theory and practice, we should not force people in the religious circles and the masses who believe in religion to accept the viewpoint that "religion is an opium of the people," and the Marxist world outlook. With regard to the essence and role of religion, people in the religious circles and the masses who believe in religion may have their own study and explanation. However, we cannot accept the viewpoint which maintains that the conclusion "religion is an opium of the people" is obsolete. Although some people apply Marxism to the study of religion, they haphazardly adapt Marxism to the religious belief of religious followers in order to satisfy their demand. Some people use religious viewpoints to explain Marxism. These are also methods which we do not favor. Academic circles should respect the ideological beliefs of religious circles, whereas religious circles should also respect academic circles' Marxist study of the religious theory and propaganda activities. Of course, this does not mean that we should publicize the viewpoint "religion is an opium of the people" everywhere regardless of specific conditions. We should not propagate the viewpoint in religious places, or among the masses who believe in religion, especially in areas inhabited by people of minority nationalities, who all believe in religion. However, with regard to those religious things which severely hamper production and people's life, or even jeopardize people's lives, it is necessary to gradually reform them. Such reform should be carried out by people in the religious circles and the masses who believe in religion.

III

The CPC has correctly applied the Marxist theory on religion to the practical reality of the religious problems in China, formulated the policy of the party and government toward religion, and defined the basic tasks of religious work. Correctly understanding the policy and conscientiously implementing it is an important guarantee for doing religious work well, and uniting with the people in the religious circles and the masses who believe in religion to carry out the four modernizations program.

During the socialist period, we should respect and protect freedom of religious belief. This is our party's long-term basic policy which should be implemented until the natural death of religion. As long as there are people who still believe in religion, we should unswervingly implement the policy which protects freedom of religious belief. The policy is all-embracing. While emphasizing the necessity of protecting freedom of religious belief, it also stresses people's freedom in not believing in any religion. While protecting freedom of religious belief, we should not hamper the popularization of scientific education, including propaganda about atheism. On the contrary, we should strengthen it. It is precisely because of protecting freedom of religious belief that we should make a strict distinction between religious belief and feudal superstition. Feudal superstition is banned by the state and law, whereas freedom of religious belief is a citizen's right stipulated in the Constitution. On the one hand, freedom of religious belief is protected by the law. On the other hand, it is restricted by the law. This restriction has two main implications: 1) Freedom in religious belief as citizens' right, it is restricted by citizens' duties; 2) as religious belief is a right stipulated by the law, it is only natural that the right can be enjoyed only within the scope defined by law. The essence of the policy, which protects freedom of religious belief, is to truly ensure that religious belief is a matter of choice of individual citizens, and their own private matter. Religion as a belief is completely subject to people's free choice. People are allowed to believe in, or not to believe in religion. No organizations and individuals, including people in the religious circles, are allowed to interfere, or adopt other methods in disguised form to put pressure on them. The state power of our socialist country can never be used to promote or ban certain religions. Religion is likewise not allowed to interfere in the state affairs such as administration, jurisdiction, education, and so on. Of course, nobody is allowed to use religion to oppose the party leadership and socialist system, and to sabotage the unification of the state and national unity. The party policy, which ensures people's freedom of religious belief, is not determined by the number of religious believers. The policy should be implemented whether the number of religious believers is large or small. Under no circumstances are we allowed to use the method of issuing administrative order to force people to abandon their religious belief, or reduce the number of religious believers. Of course, the policy can never be used to force people to follow religious beliefs or as a pretext for developing religion.

According to the basic spirit of the policy for freedom of religion, our party and government have worked out a number of stipulations on protecting freedom in religion and normal religious activities. In the meantime, they have also worked out several necessary stipulations restricting abnormal religious activities. The main points of these stipulations are: All religious activities can only be conducted in places set for religious activities, and are not allowed to go beyond the scope permitted by the state law and government policy. Professional religious personages should love the country and observe law. Religious organizations should stick to the principle of independence and running their churches by relying on their own efforts. No foreign church or religious figure is allowed to interfere in China's religious affairs. In other words, we should protect normal religious activities, and restrict the abnormal ones. The purpose in restricting abnormal activities is to protect normal religious activities and ensure normalization of religious activities. Therefore, the religious circles should proceed from the overall interest of the whole society, exercise self-discipline, maintain normal social order, and the sequence of production and work, and resist abnormal religious activities.

Our purpose in implementing the policy for protecting freedom of religious belief is to unite with the broad masses of people, who believe in religion, and religious figures, and promote the unity between all religious believers and the masses who do not believe in religion so that they will exert their common effort and strive for the realization of the three main tasks. Therefore, while implementing the policy of protecting freedom of religious belief, we should guide the orientation of religious activities. To put it briefly, we should gradually discard those things which are detrimental to the socialist system, the four modernizations program and the building of socialist spiritual civilization. In the meantime, we should carry forward the good tradition in religious activities to do more good things for socialism. For example, religious circles should run various social welfare and service undertakings. Buddhism attaches importance to academic study and Lamaism pays attention to medicine. Buddhism and Taoism are noted for their martial arts and skills for maintaining good health. All these should be advocated and carried forward so that they will be beneficial to the building of socialist spiritual civilization.

Resolutely and correctly implementing the policy for protecting freedom in religious belief includes the following aspects: We should freely spread scientific knowledge, give publicity to atheism, and provide the broad masses of people, youngsters in particular, with education in a dialectical materialist and historical materialist scientific world outlook to enhance their understanding of the law governing natural development, social development and their own development, so that they will gradually develop scientific and communist world outlook and outlook on life, correctly understand and handle the relations between man and nature, correctly understand and treat various kinds of social contradictions, and some difficulties and setbacks encountered by individuals in practical society, and strive for the building of socialism and communism. All this is an important task for the building of socialist spiritual civilization. It is an erroneous understanding of the party policy for protecting freedom in religious belief to think that giving publicity to atheism means sticking to the "leftist" ideology, and offending religious feeling, and not to allow people to raise the slogan of atheism and to publicize it. Actually, implementing the policy for protecting freedom of religious belief does not conflict with publicizing science and atheism. Publicizing atheism and opposing religion are two completely different matters. Marxists hold that declaring a war on religion is a stupid act. "Announcing that the political task of a workers' political party is to launch war against religion is no more than empty talk of anarchism." ("Selected Works of Lenin," Vol 2, p 376) Our party has never favored using rude methods and issuing administrative orders to interfere in the religious belief of the masses, or using abstract and slogan-type propaganda to directly attack religion. We never employ coarse language to offend the feelings of the masses who believe in religion. We never think that such acts may help the propaganda of atheism. On the contrary, they encourage the development of religion and religious fanaticism. Therefore, in the course of publicizing atheism and religious problems concerned, we should observe the party's existing policy, and draw lines of demarcation in policy.

To implement the policy for protecting freedom of religious belief, we should make a distinction between normal religious activities and feudal superstitious activities, and we should protect the former and deal with the latter in light of the seriousness of the cases concerned. With regard to all reactionary secret societies, sorcerers and witches whose activities have been banned, they are not allowed to restore their activities. As for those who take fortune-telling, physiognomy, fortune-telling by analyzing the component parts of Chinese characters, geomancy and so on as their occupation, we should educate and give well-meaning advice to them and help them make a living with their own labor so that they will give up all these superstitious and deceitful activities. If they refuse to do so, we should ban their activities according to law. Building ancestral halls, compiling charts of family trees, associating with other clans and others are illegal activities of remaining patriarchal forces of the feudal society, which should be proscribed and banned by formal decrees.

At present, giving publicity to materialism (including atheism), and Marxist theory on religion, and eliminating feudal superstitious ideology among the masses are still a fairly weak link in our work. Therefore, we should strengthen work in these respects. Otherwise, our efforts to uphold the four basic principles and carry out the building of the two civilizations will be adversely influenced. Comrades in charge of religious work should guard against the rightist influence in this regard. With regard to professional religious personage and the masses who believe in religion, we should truly implement the religious policy for them. We must let them have places for their normal religious activities. In this regard, we should continue to eliminate the "leftist" stuff. Neither should be overemphasized at the expense of the other. In the future, we should continue to do several things in a planned way: 1) We should considerably provide the people, youngsters in particular, with education in dialectical materialism and historical materialism, and Marxist concepts on religion. We should organize people to write articles on the law governing the origin, development and elimination of religion, and articles on the party's policy for religion, and publish books on atheism so that the broad masses of people will have a correct understanding of religion. 2) We should vigorously popularize and spread scientific knowledge to do away with feudal superstition. 3) We should conscientiously implement the spirit of the summary of a national forum on the building of civilized villages (townships). In particular, in places where religious influence is comparatively great, we should exert greater efforts to grasp the building of the socialist spiritual civilization, and conscientiously implement the party policy for religion to do well our work at the grass-roots level.

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THE ROAD TO HEALTHY GROWTH THAT YOUNG INTELLECTUALS MUST TAKE

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[Commentator's article]

[Text] Not long ago, some university students went to the front [as published] to practice or to receive on-the-job training with the units stationed there. Some others went to the border areas, rural areas, and industrial and mining enterprises to receive training or to conduct surveys there. Summing up their accomplishments on their return, they all said that through their contact with the people and by going deep into the realities of life, they had been able to widen their field of vision and to improve their understanding of things. They deeply feel that to go deep into the realities of life, to mix with the people, and to integrate with the masses of workers and peasants is a correct road that must be taken by young people who want to make themselves useful. This is very encouraging.

It is the glorious revolutionary tradition of Chinese intellectuals to go deep into the realities of life, to mix with the people, and to integrate with the masses of workers and peasants. Around the "4 May Movement," when Marxism was wedded to labor movements, intellectuals began playing the important role of a bridge. Applying revolutionary theories, they organized the masses of workers and peasants and mobilized them into magnificent revolutionary movements. In the 1930's, in the face of a national crisis, many young students marched out of their classrooms and joined workers and peasants in their march toward the front, where they fought the Japanese to save the country. They had made immortal contributions to the country. Many of these young students later became important figures and leaders on many fronts in new China. Since the founding of this country, the masses of intellectuals studying and working on various fronts have scored great success and benefited themselves by going deep into the realities of life and by mixing with the masses of workers and peasants. Unfortunately, in the late 1950's, because of the influence of the "leftist" guiding ideology, defects began to impair the country's policy regarding intellectuals. During the "Cultural Revolution," these defects were the most serious. In those years, the slogan of unity between intellectuals and the masses of workers and peasants was used as a pretext for introducing antagonism between intellectuals on the one hand and workers and peasants on the other, for negating the role of intellectuals, and for torturing and persecuting intellectuals. This slogan was seriously twisted and its positive influence ruined.

Today, in correcting past mistakes, we should adopt a scientific analytical approach, distinguish between extreme "leftist" things and those correct things that have been twisted, discard the former, clarify the latter, and continue to stick to the correct line. Obviously, the wrong things done against intellectuals during the "Cultural Revolution" are not measures for implementing the principle that intellectuals should go deep into the realities of life and integrate with the masses of workers and peasants. The wrong things were done not to help intellectuals approach and integrate with the masses of workers and peasants, but to bring about division. All this has seriously harmed the intellectuals and impaired their work. Fundamentally speaking, this runs counter to the interests of the masses of workers and peasants. Only by correcting the "leftist" mistakes and by scientifically analyzing and evaluating the status and role of intellectuals in the new historical period can we correctly implement and apply the principle that intellectuals should go deep into the realities of life, mix with the masses, and integrate with the masses of workers and peasants.

Since the 3d Plenary Session of the 11th CPC Central Committee, as far as the issue of intellectuals is concerned, the party has done much to set things to rights. In addition, we have clearly expounded the theory that intellectuals are part of the working class. We encourage the whole community to respect both knowledge and intellectuals, to earnestly implement the policy regarding intellectuals, and to dignify our intellectuals' social status. At the same time, the party, which cherishes intellectuals, hopes that they will be steadfast politically and that their style will be such that they always go deep into the realities of life and mix with the masses. This requires our intellectuals, young intellectuals in particular, to participate in practical mass activities and take the road toward unity with the masses of workers and peasants.

Young intellectuals, including currently enrolled senior secondary school students, undergraduates, and graduate students, should value the chance to study given by the party and the people by trying their best to scale new heights in knowledge. They must never rest content with book knowledge. In order to be able to play a role in the cause of socialist construction, in addition to acquiring the relevant professional knowledge, they should also study the basic tenets of Marxism and the party's principles and policies and resolve to devote their efforts to practical work. Subjectively, some young comrades want very much to contribute to the four modernizations; however, they are unwilling to go down to grass-roots units to receive training among the masses of workers and peasants. They simply want to remain with large organizations in large cities and join "brain trusts." It never occurs to them that if one always remains with large organizations in large cities without visiting the rural areas and industrial and mining enterprises, without being aware of new situations, new problems, new experiences, and people's views on the reforms, but just with some secondhand knowledge of all this, one cannot penetratingly and appropriately analyze practical problems and arrive at truly scientific conclusions. The socialist cause is characterized by the active participation of millions upon millions of people. Without mass practice and mass creation, its great vitality will diminish and its development and progress will be without basis. All organs, including high-level leadership organs, should be in close contact with the masses and be well aware of the realities of life. Otherwise they cannot correctly guide and organize practical mass activities but will be apt to encourage bureaucracy. Thus, the state's employees, researchers, and professional cultural, educational, and medical workers should go deep into the realities of life and mix with the masses. This is an important issue that warrants our unremitting attention.

Both young people and intellectuals want to be useful people. Similarly, our party and the people also hope that the masses of young people and intellectuals will be able to become pillars of the country and to contribute to the country, the people, and mankind. Whether or not one can become a pillar of the country depends on whether or not one has comprehensive knowledge, including book knowledge, practical knowledge, professional knowledge, and knowledge of Marxism-Leninism. In order to acquire comprehensive knowledge, one must make efforts in two respects. On the one hand, one should go up, that is, acquire scientific and theoretical knowledge. On the other hand, one should go down, that is, mix with the masses of workers and peasants to gain practical experience. These two things are inseparable from each other. The purpose of acquiring scientific and theoretical knowledge is precisely to solve practical problems, and the purpose of gaining practical experience is to consolidate one's practical knowledge. Book knowledge is both important and indispensable. However, if it is not integrated with the actual circumstances and not used to solve the practical problems arising from production, scientific and technological work, and life, its potential will be wasted and it will be devoid of content. Today, if the younger generation of intellectuals want to make themselves useful and accomplishing people, they should voluntarily mix with the masses of workers and peasants, go deep into the realities of the structural reform, economic construction, and scientific experiments, integrate book knowledge with the country's construction efforts, be good at using this knowledge to study and solve various practical problems, be good at studying and summing up practical experience, and be good at constructing theories on the basis of practical experience. One who is divorced from reality and who has received no practical training is apt to be fastidious and yet incompetent and to exaggerate. How can such a person achieve anything?

One may indeed ask why people continue talking about the integration of intellectuals with the masses of workers and peasants at a time when intellectuals are already recognized as part of the working class. It is true that as far as the possession of the means of production and the intellectuals' historical mission are concerned, intellectuals are an inalienable part of the working class. However, we should be able to see that in today's China, there is still a difference between workers and peasants, between urban and rural areas, and between manual and mental labor. Intellectuals have their special working conditions and work methods. Thus, in addition to sharing some common characteristics with the rest of the working class, intellectuals have their own special characteristics. For example, peculiar to intellectuals is their better scientific and cultural knowledge. This is one of their strong points. However, they also have weaknesses. For example, many young intellectuals are preoccupied with book learning at school. Most books, textbooks in particular, tell us about the results of the research and creative work done by scholars and scientists and about constructed theories and discovered laws. They rarely touch on how these theories and laws were constructed and discovered or on the social circumstances under which these theories and laws were constructed and discovered. Thus, young students tend to focus their attention on the contributions made by scholars and scientists as individuals (of course, this is inevitable) and to overlook the relationship between these theories and laws on the one hand and social development and production on the other. Thus, they are apt to underestimate the importance of the masses and of practice. Of course, one should attach importance to knowledge and affirm the contributions of eminent scholars. However, one must not go on from this to worshipping famous people and overlooking the role of the masses. This weakness is not innate in young intellectuals, but is a result of the influence of their circumstances. Intellectuals who want to make the best use of their strong points and overcome their weaknesses should be careful not to be divorced from reality and should study and receive training in the grand classroom of mass practice.

Unlike the past, today when we stress the need to go deep into the realities of life and to mix with the masses, our purpose is not to be "reeducated." However, if we understand how the masses of workers and peasants, as the masters of their own affairs, fight for the four modernizations and how hard they are working for the motherland's prosperity and the people's well-being without being afraid of sacrifice, we will be able to correctly and thoroughly understand ourselves, understand historical trends and the pulse of the times, and profoundly understand the heavy responsibilities we are shouldering. In this way, we can free ourselves from our "selves," voluntarily participate in the masses' great endeavor to transform society, to remold nature, and to build socialism, and contribute our wisdom and talent to the country. Our recognition that intellectuals are part of the working class does not imply that there is no longer the need for intellectuals to integrate with the masses of workers and peasants. It simply makes conditions even more favorable for the unity between intellectuals on the one hand and the masses of workers and peasants on the other. Given this, intellectuals and the masses of workers and peasants can learn from each other and advance together on an equal basis. There will not be the abnormal situation where one party unilaterally transforms and educates the other.

Why, at a time when science and technology are rapidly developing and when production absorbs more and more intellectual power, is there still the need to advocate the unity between intellectuals and the masses of workers and peasants? To be sure, it can be seen from the trends of the development of science and technology that mental labor is becoming increasingly important. However, the manufacturing of any product requires both manual and mental labor and is impossible without either of them. Under the present circumstances in China, knowledge-intensive production is not well developed and industrial and agricultural production requires much manual labor. The importance of mental labor precisely consists in the fact that it is capable of steadily transforming manual labor and of lightening the workload of manual workers. Efficiency can thus be raised by combining manual with mental labor. High efficiency is out of the question without first-hand knowledge of manual labor. We must also realize that an intellectual who mixes with workers and peasants and learns from them mainly learns from their fine qualities and practical experience. He does not learn a specific skill from them. The practical experience of the masses of workers and peasants is an inexhaustible source of wisdom and creativity. Only by making ourselves good at drawing intellectual nourishment and distilling wisdom from this can we put our intellectual power to better use.

The combination of intellectuals and the masses of workers and peasants should be a bilateral endeavor. Workers and peasants face the problem of correcting their understanding of intellectuals and voluntarily approaching them. In recent years the masses of workers and peasants have increasingly realized from their personal experience the great importance of science, technology, and cultural knowledge to socialist modernization and that without intellectuals and knowledge, socialist construction is out of the question. With the development of the socialist cause and the progress in the reforms, more and more workers and peasants have regarded intellectuals as their teachers or made friends with them. This is very encouraging. As far as intellectuals and the masses of workers and peasants are concerned, the general tendency now is to respect each other, learn from each other, and approach each other. In the past, under the party's leadership, the masses of workers and peasants joined intellectuals in applying the basic tenets of Marxism to the actual conditions in China, with the result that we were able to find a road leading to the victory of the revolution. Today, under the new circumstances, we are confident that the combination of intellectuals and the masses of workers and peasants will give great impetus to the cause of building socialism with Chinese characteristics.

It is a general principle that intellectuals should go deep into the realities of life, mix with the people, and integrate with the masses of workers and peasants. However, because of the differences in the nature of their jobs, intellectuals in different professions should adopt different specific ways to implement this principle. The way party, government, trade union, and CYL cadres implement this principle should be different from the way scientific, cultural, and educational workers do it. Furthermore, the way natural scientists do it should be different from the way social scientists, people involved in applied studies or research into development strategies and patterns, technological workers on the production front, employees of research units, and people working at school or after their graduation do it. In adopting a specific measure, one must take the actual circumstances into account and try one's best to help the intellectuals improve their professional competence and to help intellectuals and the masses of workers and peasants approach each other, understand each other, and learn from each other. Mere formalities must be discarded. In addition, one must neither repeat past mistakes nor, using the past mistakes as an excuse, unduly undermine our cause by paying no attention to implementing the policy regarding intellectuals.

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THE TIMES ARE BECKONING THE NEW PEOPLE

Beijing RED FLAG in Chinese No 9, 1 May 86 pp 34-37

[Article by Zhong Peizhang [6988 3099 3864]; capitalized passages published in boldface]

[Text] WE CAN PREDICT THAT AS SOON AS A SINGLE PERSON OF TALENT COMES FORTH, A GLITTERING NEW AGE WILL CERTAINLY SOON ARRIVE.--DENG XIAOPING

Our party and our society have always paid attention to youth. This is because young people are truly our future and hope.

The questions of youth are often questions which elicit controversy. This is because people often cannot follow the changes of the times and cannot use new vision in examining and making decisions on the youth of a different age. Also, age after age of young people explore how to look at society and how to look at themselves in ways which are different from those of the previous generation.

This year is the 67th anniversary of the "4 May" Movement and is the 10th anniversary of the "5 April" incident. The new generation of youth matured in an environment of order being brought out of chaos, of reform, and of construction. What do these young people think about and what do they seek? How shall we view them? What road should they select?

One question which elicits controversy is how we are to look at the way in which some university students commemorated "18 September" last year. Some people say that it was good, while other people are worried. People think that in an environment where a commodity economy is developing, young people change to stressing material benefits, look only for money, and concern themselves only with themselves. Thus, we should be happy to see from the commemorative activities that this generation of young people is continuing the outstanding traditions of our youth since the 4 May Movement, concerning themselves with important affairs of the state and with the affairs of the world. In their blood the zeal of patriotism continues to surge. After the event, some of the students stuck up large character posters reading "Long Live Comprehension" and "Long Live Trust." Clearly, if we do not understand this patriotic feeling of the young people, then it will be difficult to have real trust in them, and we will be unable to truly see their aspirations.

However, we must also soberly realize that some students who consider themselves to be supporting the party and positively advancing reform, actually express opinions which go against their own desires and which deviate from the reforms. They also show a great lack of understanding of the policies of opening to the outside world and of reform. They believe that as long as one's subjective motivation is patriotism, then all actions are beyond reproach. They do not realize that "national humiliation" was long ago washed away, that the task of "saving the nation" was completed long ago, and that at present the people of our nation, under the leadership of the party, are making great progress in invigorating China and in realizing the four modernizations. As changes have occurred in the tasks, the modes and methods of action have also had to change accordingly. These modes and methods are naturally not the same as those of "4 May" and are also different from those of "5 April." We have already shifted from the mode of fierce opposition to reliance on the normal methods of democracy and law. As stability and unity are guarantees for carrying out reform and the four modernizations, maintaining stability and unity has become the task of every young person who holds in his heart the patriotic ideal of invigorating China.

As a mother loves her child, so the party has adhered to the principle of providing positive guidance for young people. Many of the leading comrades of the party and the government have personally gone to the grass-roots level to have heart-to-heart talks with the young people. They have talked freely of family matters, state matters, and international matters. They spoke on the situation and answered questions. The young people were both touched and ashamed. They said: Before, we were unclear on many matters. If we knew this before, we would not have said those mistaken words or done those stupid things. Later, many students went to the frontline at Laoshan, the oilfields, and construction sites to investigate and visit. They used their winter holidays to carry out social investigations in their own villages. They got in touch with the real situation, expanded their minds, and raised their understanding, obtaining a deeper realization of the tasks and road to maturity for young intellectuals of the 1980's.

From this, we learn two things: First, our young people are truly likable and trustworthy. Second, trust is not the same as worshipping spontaneity. The healthy growth of young people still requires our guidance in many areas. We must help young people to understand that we cannot directly draw an equal sign between university students and social hero or pillar of the state. Much less can they think that because they have entered a university, all the masses are muddled and only they are wise. Real knowledge comes from practice and a deep understanding of reality. While book knowledge is important, a patriotic heart is more valuable. However, if one is divorced from reality, a good heart can give rise to stupid actions. Today, that which most deeply understands China's actual situation is our great party. This is not only because the leading comrades of our party Central Committee earnestly practice what they preach, go deep into reality, and have a deep understanding of the people's feelings, but also because the party Central Committee guides the whole party and adheres to the ideological line of dialectical materialism and seeking truth from facts and the work line of coming from the masses and going to the masses. It is because of this that our party is able to lead the people of the whole country in linking the universal truths of Marxism with the realities of China and can continually push forward the cause of socialism with Chinese characteristics. Only under the leadership of the party can the young people bring into play their various vanguard roles and really become social heroes and pillars of the state. The party has confidence in youth and youth follow the party--this is the most basic experience in the youth movement of our nation over the last 60 years.

Apart from being concerned with China, modern youth have another matter to which they pay great attention, and this is their own growth and maturity. Studying knowledge and climbing to the high peaks of science has been an unstoppable tide among modern youth. In our nation's intellectual contingent, which is continually growing stronger, a very large youth group has already been formed. A department has conducted a survey among 1,111 young intellectuals in Beijing on the topic "The Things Which Stimulate Young Intellectuals." The result was that 758, or 68 percent of the total, noted that it was "fulfilling a function, seeing speedy results, and striving to become a top-notch talented person." Comrade Deng Xiaoping has affirmed: "The future of science lies in youth. The growth of the young generation is where our hopes lie for definitely achieving the prosperous development of our cause." Growth and maturation is the requirement of youth and is also a demand made on youth by the party and society.

However, why they should grow and mature and how they are to grow and mature are among the most debated questions at present. Parents do everything possible so that their children can get into key middle schools and go on to a university. The aim of many students is to pass the research students' examination, become doctoral candidates, and go abroad to study, as if this were the only way to grow and mature. The tag of the "stinking ninth" has already been cast away, but another extremity has appeared. At this extremity it seems that intellectuals should be a strata higher than all the other strata in society. It is as if combining with the workers and peasants has already become outdated. They do not realize that the reason China's intellectuals are valuable and can play a great role in China's revolution lies in the fact that when they combine with the workers, they can bring into play various vanguard roles and linking roles and can use revolutionary ideology to arouse hundreds of millions of the masses. In today's four modernizations, only if the intellectuals combine with the workers and peasants and use their knowledge in the reality of the systems reforms, economic construction, and scientific experimentation, will it be possible for them to bring into play their great role in the new historical period. If they divorce themselves from reality and divorce themselves from the workers and peasants, then nothing will get done. From this it can be seen that in the issue of young people growing and maturing, there are two sides, one which elicits happiness and one which causes worry.

Being determines consciousness. Thus, we should carry out analysis from the standpoint of social development and the standpoint of history. Only thus will we be able to judge the right and wrong in the issue of young people growing and maturing. Since the founding of the PRC, we have already trained two generations of young intellectuals. Now we are in the process of training the third generation. The different social characteristics of different periods has determined the outlook on life and the values of the young intellectuals at different times.

Our nation's first generation of young intellectuals experienced the contrasts of the new and the old societies and new China's thriving days. The directional goals of their values lay in the overall interests of society and in ideals about society's future. They directly merged individual existence with the interests of the overall society. We should say that the values in life sought by this generation of young intellectuals were noble and extremely praiseworthy. However, these values can easily be set in contrast to individual development. One-sidedly stressing acting as a docile tool is an example of this.

The experiences of our nation's second generation of young intellectuals was winding and complex. At the beginning of the 1960's, they unconditionally took over the same views on life and values as held by the earlier generation of intellectuals. However, in the 10-year catastrophe, they tasted great grief and deceit to the full and also experienced the pain of the sudden disintegration of their values and goals. In the pain, they discovered their own shortcomings and wretchedness and they sought their own dignity and real happiness. This generation harbored a "strong sense of historical duty that the backward China must be invigorated anew by the generation which is the victim of this backwardness" and threw themselves into reform. They actively sought values they could share with society, and thirsted to explore "the best point at which to integrate with society." This generation of young people used their own experiences of twists and turns to open a road for the next generation of young people. The high level scaled by this generation of young people in their outlook on life and their values provided a starting point from which the next generation of young people could continue to climb.

If we start from ancient times, people's overall development is something which progressive thinkers have always looked hazily toward. Cicero used the word "humanitas" to describe an education which would enable an individual's abilities to develop to the greatest degree possible. In the Renaissance, the humanists proposed a "versatile, all-round" ideology to confront feudal autocracy. However, "the degree to which a single person is liberated is equal to the degree to which history in general is world history." ("Selected Works of Marx and Engels," Vol 1, p 42) Communism is a social form which has as its basic principle the overall and free development of each individual. The establishment of the People's Republic and the elimination of the exploiting class has opened a road for every person's free development and, by bringing order out of chaos in socialist construction, the great ship of the Republic has corrected its course and the flourishing age where people can create new lives is already with us. This is an age which requires great people and which will produce great people. The new age is beckoning to the new generation.

This new generation should inherit the superiorities of the previous two generations, and in their thinking capacity, enthusiasm, and disposition, in their versatility, and in their learning they must surpass those who have gone before. This generation of new people must have a firm and correct political orientation and must be able to use a scientific socialist viewpoint and correctly master the trends and patterns of social development. They must have a noble spirit of devotion and to this end must use all their intelligence and wisdom and must continually improve their assiduous study of their vocation. They must have wide fields of vision and great minds and be good at studying and using as reference all the sciences and all the advanced things of the world. They must have both the spirit of doing concrete work in an earnest and down-to-earth way and the creative enthusiasm to develop and forge ahead. They must voluntarily observe discipline, concern themselves with the overall situation, understand the cardinal principles, and, in handling matters, stress efficiency and results. They must have all sorts of abilities, for example, the ability for scientific thought, the ability to go deep into practice, the ability to study by oneself, the abilities to organize and administer, and so on. This is the new person summed up by Comrade Deng Xiaoping in 12 characters--"having ideals, having morality, having culture, and having discipline."

Looking at the maturing generation of young people from the angle of the requirements of the times, we can see many of their superiorities and strong points, but can also see their weak points and shortcomings. They have a strong sense of mission to participate in society and they know that youth are not just a part of the future but are also part of today. They have a strong interest in new knowledge, new ideologies, and new science and technology. Their minds have been liberated, their vision expanded, and they yearn for the future. They stress bringing into play the subjective initiative of individuals, and demand that "one design oneself," travel one's own road, regularly show one's distaste for authority, and disregard one's predecessors. They stress personal, real, tangible happiness, look forward to a beautiful life, and often see noble ideas as illusory or at least greatly remote. In the process by which young people grow and mature, these things show some superiorities and strong points, but also contain some weak points and biases. At present there is one tendency which has caused people to worry. That is that there are some young people who are gradually shifting the significance of life toward narrow personal and immediate interests. This has given rise to the tendency of individual values which are divorced from social and collective interests.

When compared to the young people of various developed countries, the young people in our country at present have two obvious weaknesses--their dependence and their lack of concern for reality. In various countries in Euorpe and the Americas, a social practice was established long ago whereby when young people reach 18 years old they become independent. University students work as attendants or dishwashers and so on, and by being hardworking and thrifty both in their work and their study they make enough money to pay their way through university. In the society of the United States, there are the expressions "self-made man" and "do it yourself." These require young people to develop a social consciousness of standing on their own two feet, which is of great benefit to the growth and maturity of young people. Although many young people in our nation have strong demands for an independent life, our China has a different tradition. In the endless years of feudal society, all the demands by young people for independence were suppressed. After liberation, we mistakenly understood "the big pot" to be socialism. Thus young people were "dependent on their parents at home" and everything was provided by their parents. They "depended on the state outside the home," whereby from the time they entered school to when they were allocated jobs, everything was arranged by the state. This formed a deep ideology of dependence. It even led to where some people, after starting work, getting married, and having children, still depended on their parents, thinking that this was an unalterable principle. "If you do not eat, it is your loss, and something is there and you don't take advantage of it, that is also your loss." Many of the younger university students now are single children. In order to guarantee that they will be able to get into a university, the family carries out a "key protection policy" and does not let their child do any housework. In middle school, most of them receive spoon-fed education on a force-feeding basis. In some universities, there exists the tendency to stress scientific research while paying little attention to production, stress theory while paying little attention to practice, and stress noted figures while paying little attention to ordinary laborers. This has resulted in some students having a lopsided idea of qualified people. Many students have learned but do not know, and they can talk but they cannot do. Their capacity for independent thought, their creative abilities, their capacity to act, and even their capacity for life are all weak. In their minds exists the serious tendency to look lightly on practice. When they get to their work posts, many people need a lot of time before they are able to fit in. If we wish to change the above situation and create a generation of new people who are rich in the spirit of development and creation, then we need to be brave in challenging the outworn traditional concepts and dare to study those advanced experiences from abroad which are useful to us.

Here I will provide a short introduction to the experiences of Shenzhen University, which may provide some inspiration to those comrades engaged in education work and youth work. Since Shenzhen University was opened, it has never provided grants-in-aid. Rather, it has arranged for the 2,000 resident students of the university to be hardworking and thrifty in both study and work and to make money in order to support their own studies. In regard to ideological and political work, above there is the party committee secretary who is concurrently the head of the student work guidance committee, while below there are 300 students who have not been released from their work who form the backbone force in the work of providing political guidance to the students. Also, a student tribunal has been established (it is also called a student self-discipline committee) to handle disputes among students. This method used by the school in actively training students in having a sense of independence, self-discipline, and self-rule has achieved very good results. When the students went to Hong Kong to investigate the activities of students in being frugal and diligent in study and work in the universities of a capitalist society, they found that their own university did things better than they were done in Hong Kong, where there was no organization and no leadership and it was purely a matter of earning a living. Their own university, however, put the stress on education which trained the students, and thus they gained a deeper knowledge of the superiorities of socialism. Of course, the experiences of Shenzhen University are only initial experiences, not mature ones. However, their efforts and orientation should be affirmed. As long as the orientation is correct, an immature thing can be continually perfected and developed and can continually mature through practice.

As the superiorities and weaknesses of each generation of young people are related to certain social and historical conditions, the appearance of a generation of new people requires the social environment and conditions to create new people. The reform of the economic structure has promoted the liberation of the productive forces. The liberation of the productive forces is, in the end, the liberation of people. At present our great motherland is progressing through the wind and waves toward the goal of socialism with Chinese characteristics. The world is watching the results achieved by China, waiting to see if the Chinese people who achieved such outstanding achievements in man's ancient culture can today, in the new technological revolution, radiate new glory. Following the reforms and opening up, new ideas, new qualities, and new moral characteristics which accord with the realization of socialist modernization are being formed in our nation's younger generation. Our young people are in the process of "breaking out of Asia and into the world," and have already achieved victories in some areas. In order to create brilliant skilled personnel, we must urge young people to "have soaring aspirations and not be shamed by their predecessors." They must be brave in scaling the peaks and be brave in comparing themselves with and vying with the young people in all regions and all countries of the world. We must help them to overcome the weaknesses they find in themselves and those things which are not in accord with the new times, as well as the influence of outworn ideas. We must strengthen ideological education, but more importantly, we must strive to create an environment beneficial to the maturity of persons of ability and actively promote the reform of the economic structure, the education system, the scientific and technological system, and the personnel administration system. Experience has shown that the reform of a system and the implementation of a policy leaves an impression on young people and these are things with which empty preaching cannot compare. Creating a generation of new people is a great project of the socialist system. It requires that families, schools, and society are coordinated and requires the collective wisdom of educationalists, artists, sociologists, entrepreneurs, and ideological and political workers. "I urge the ruler of heaven to again rouse himself and send down talented men of all types!" One hundred years ago, when the great guns of the imperialists were aimed at the great doors of ancient China the poet Gong Zizhen made this call. Now, as the great lever which is shaking the world--the new technological revolution--has thrown down the challenge to us, will we be able to redouble our efforts?

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PURSUIT, SUSTAINED PURSUIT

Beijing RED FLAG in Chinese No 9, 1 May 86 pp 38-40

[Article by Lang Ping [6745 1627]; first paragraph is RED FLAG introduction]

[Text] This is a very touching article. From great experience, the writer notes, "many beautiful things are obtained only through struggle and sacrifice." The article lets us see how hard the Chinese women's volleyball team had to train and how much discipline they had to experience in order to obtain victory. Every young comrades should draw from the article the strength to realize the great cause of the four modernizations and to overcome every difficult obstacle.

Looking back over the road traveled in the last few years, I realize this: A person who realized a goal through arduous struggle should then time and again set himself new goals and continually pursue them. Of course, this is not easy and requires subjection to painful discipline and the payment of a high price.

In 1981, we, the Chinese women's volleyball team, won the World Cup championship for the first time. Through further struggle, 9 months later we also won the world championship. After this, Coach Yuan Weimin decided to change five of the veteran members of the team (these included three top players, including Sun Jingfang, the world's top setter, and two highly experienced major replacements). Of course, the new superseding the old is an inevitable pattern in the development of things, but for a world championship team to greatly change the lineup after scoring victory had rarely been seen in the history of world volleyball. Our major opponents, the Japanese and U.S. women's teams, were wild with joy and placed their hopes of winning the world championship on our great changes in lineup. Many volleyball fans throughout the nation sent us letters, breathless with tension, about whether the Chinese women's volleyball team could win the world championship again. As team captains, Zhang Rongfang and I then also felt that Coach Yuan's decision was too bold and too risky.

As expected, several months later, the anxieties were realized. In 1983 at the Asian Women's Volleyball Championships held in Japan, we were disastrously defeated 0-3 by the Japanese women's team. For some time after this, an atmosphere of defeat shrouded us and the morale of the whole team fell to the "freezing point." When summing up, nobody spoke, as no one could refrain from tears. This was not only related to the Asian championship, which we had already lost, but more importantly we felt uncertain about the future and we lost faith that we could obtain victory at the Olympic Games.

At meeting after meeting, Coach Yuan repeatedly told us: Real world champions need the trials of glory, but also need the tempering of setbacks. The thing most to be feared is the loss of faith! As long as we are brave in facing reality and undergo hardships to strengthen our resolve, winning the "championship hat trick" is not impossible.

A person who engages in pursuit in a favorable situation is able to bear repeated hardships. However, in adversity it is extremely agonizing to repeatedly pursue without being able to see what is being sought. In the winter of 1983, we did winter training in Chenzhou, Hunan. Whether we could take the Olympic crown depended on whether there was any improvement or any breakthrough in the winter training. Thus, several of we veteran players placed strict demands upon ourselves and in all respects paid attention to setting an example. In 1983, Mao Mao (Zhang Rongfang's nickname) suffered acute pancreatitis and after tough training she often had pains in her abdomen. She could not eat properly and this exacerbated the problem, with the result that she began to get pins and needles in her legs. Also, at that time I suffered from chronic appendicitis and during training my belly was always painful and my two knee joints were swollen like lumps of steamed bread. There was no alternative but to bind them up. In this situation, we gritted our teeth and reluctantly persisted with the training. Even so, Coach Yuan was still not satisfied with our performance. The thing with which he was most dissatisfied was our morale, that we had not really put ourselves off from the defeat we suffered and that we were not filled with confidence in leading the new team in struggling to realize the new goals.

If one wants to triumph over oneself on the spiritual plane, it is vastly more difficult than triumphing over oneself on the physical plane. We can bear suffering, tiredness, injury, and sickness, but when there are things in our mind on which we are not convinced, it is really very difficult to convince ourselves. At that time, when the new team was not training well the coach would first criticize us. There was once a problem in a practice match in two new team members coordinating and their morale was not high. After the session, the coach criticized me and Mao Mao for not doing our work well and not spurring everyone along. We felt greatly wronged. In the evening, Coach Yuan sought us out for separate heart-to-heart talks. We really could not bear it and blurted out the wrong we felt in our hearts. I said: I am a veteran team member and while I should set an example, volleyball is a team activity, and it should rely on the efforts of every member of the team. The new team members, both on the ideological and technical levels, lacked the skills of the veteran team members--this is an objective fact. However, would we be able to take the Olympic crown on this basis? I did not have much faith that we could!

After I and Mao Mao fully bared our minds in front of Coach Yuan, he and Coach Deng zeroed in on our problem and repeatedly did work for us. Coach

Yuan said: At present, the only road in front of us is a road with no retreat, and we must make a firm decision to take the championships. He felt that if we do not leave ourselves an avenue of escape, we would be able to tap the potential which in ordinary situations would be very difficult to tap. He required that in victory we should not see ourselves as giants and in defeat we should not see ourselves as dwarfs. If we really trusted in the renewal of the team through a period of great efforts, then the new people would indeed give us new techniques and provide new strengths. If we lost faith, it would be the same as admitting defeat. Such persons are not strong and would have to apologize to the people of the whole nation. With the enlightenment of Coach Yuan, we gradually came to realize that this view was logical and that we should lead the new team to wipe away as quickly as possible the gloomy shadow of defeat and struggle to unswervingly realize the new goals.

If ideas are to be clarified, a unity of actions needs to be maintained. This is not easy. In that year, on the lunar New Year's Eve, we were still training the whole day. As it got later in the day, the holiday mood got stronger and from the streets could be heard the sound of firecrackers. The team members all looked forward to finishing the class and wanted to go and have New Year's dinner and let off firecrackers. As they looked forward to finishing class, Coach Yuan suddenly announced that there was to be a final exercise--several individual team members would be selected to carry out individual maximum defense exercises. This exercise is the most difficult and most arduous and is also the exercise the whole team fears most. This was especially so of the new team members who, on hearing the words "maximum defense," were filled with apprehension. In general, it was mostly the new members who did the exercises and the veterans, as they had suffered many injuries, generally did not do this training. Everybody pricked up their ears to hear who Coach Yuan would name. I thought that I would not hear my name, so I was not worried. Who could have expected that of the two team members who went to the training ground, one would be me. I immediately realized that this training would cause me problems as my appendicitis was coming on again and every day I have to take medicine and have injections to continue with my training. The coach knew this, so why... I did not think any more about this, and then suddenly thought about the new team members, who were all watching me. I knew what I had to do. I gritted my teeth and with great reluctance went into maximum defense training. After the training was finished, two team members helped me off the training ground. In the evening, I did not go with my fellow players to let off firecrackers, play games, and greet the new year. Rather, I lay on my bed and passed an unusual New Year's Eve thus.

Many beautiful things are obtained only through struggle and sacrifice. Whenever there is exceptional pursuit, there is hope for success. During the solid winter training, in the daytime we continued with physical training and in the evening, when we did not have meetings or heart-to-heart talks, we watched videotapes, studied tactics, and put all our hearts into realizing the new targets. In this process, I slowly came to realize this principle: Adversity has a special value for people. An intelligent and strong person cannot abandon the study of setbacks.

Marvels finally appear through disciplining oneself. On 7 August 1984, at the Olympic Games in Los Angeles, after we had realized the long-cherished dream to take the "championship hat trick," we embraced each other tightly and burst into tears. In this year we had traveled an unusual and arduous road we had not traveled before, and we bore suffering that ordinary people would find difficult to bear. These tears were tears of happiness resulting from the sweetness that comes after pain.

For a time after realizing the "championship hat trick," I was filled with excitement. After we returned from Los Angeles, the whole team took vacations. I went into the hospital for an appendix operation. As I lay on the hospital bed, I felt that my life had value. I felt glad that I was able to be a major force in taking the "championship hat trick" and personally bringing back three championship gold cups for the nation. At the same time, the idea of "seeing the results, then retiring" quietly sprouted in my brain.

With the departure of old Coach Yuan Weimin and other veteran members of the team, I became the "senior" of the team. I truly admired them for being able to leave at such a glorious time. The future of the Chinese women's volleyball team was an "unknown quantity" and perhaps in the future when I left the team, I would be more "pitiful" than all the veteran players. Participation in the three world championships and the stress of intense struggle had truly worn me out. I was afraid that if I again had to go through such pressure, I would collapse one day, and simply decided to retire after the operation. However, finally, I thought of reality. Success in the undertakings of the world has no end. My love of the volleyball cause resulted in me deciding that as long as I have strength, I must contribute. The cause requires that I continue to make efforts to clinch more world championships. The party and the people also still wanted me to continue to strive for the glory of the motherland. A really intrepid person should not stop on his route upwards and should not easily give up in the face of any high plane that can be conquered.

After the Olympics, the Japanese and U.S. teams carried out readjustment and their strength was reduced. Whether we could take the fourth world championship depended to a large degree on whether we could resolve our new problems. At that time, the greatest problem I had was how correctly to handle the pressure. The pressure came from outside as well as from within our team. Many of the masses, in the letters they sent to me, said: Lang Ping, whether we can take another world championship depends on you. Also, all the team members "placed their bets" for taking the championship on me. It was as if as long as I played well there would be hope and if I played badly we would lose the championship! I had a way to handle the pressure from outside. As long as I truly got rid of the distracting thoughts and personal gains and losses I was able to master myself. The injured abdominal muscles were also internal pressure. If I wanted to resolve this problem well, I had, together with the coach, to help the team members to end this feeling of reliance on me, and establish confidence in themselves and the whole team.

New team member Yang Xiaojun had some problems in training that could not be resolved quickly and this produced doubt in her about whether her skills could be improved. Thus, on the one hand I helped her resolve her technical difficulties and on the other hand paid attention to giving her much encouragement and in building her confidence. Very soon after, smiles began appearing on Xiaojun's face, Yang Xilan is a good-hearted but stubborn girl. When she saw some problems among team members she was awfully impatient, and this was sometimes revealed in morale. I sought her out and had a close chat with her. I said: Yangzi, in future whenever you meet something unsatisfactory, or you are angry, first tell me about it. Do not reveal it in front of the new team members. If you do, nobody will train well and nobody will have any confidence. I also wrote two sentences for her. One was: "The final success is sometimes damaged by impetuousness and rashness." The second was: "Patience is the basis of success." She still keeps this piece of paper.

In the fourth world cup competition in 1985, in facing the Cuban and Soviet women's teams, which were very good both technically and tactically, the whole team united in struggle and finally took the world championship stronghold. This allowed the 5-starred flag of red again to be raised on the world volleyball stage.

As I and the team members together mount a new higher plane, I firmly believe in my heart that real happiness lies in continued seeking. A person who dares continually to struggle is a person who will be doubly rewarded for his toil, and is also the richest and happiest person.

Now, I understand more what a Japanese volleyball coach once said to me: Taking the championship is not our real aim. Our aim is, after obtaining victory, to look back on the difficult road traversed and from it realize some principles and further understand the value of life.

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IMPORTANT TEACHING MATERIALS FOR CARRYING OUT EDUCATION ON THE SITUATION AND POLICIES IN A DEEPGOING MANNER

Beijing RED FLAG in Chinese No 9, 1 May 86 pp 41-42

[Short commentary]

[Text] Since the National Conference of Party Delegates last year, the whole party has seriously carried out education on the situation and on policies and has obtained clear results. Now the Fourth Session of the Sixth NPC has discussed and approved our nation's Seventh 5-Year Plan for national economic and social development and Premier Zhao Ziyang's report on the Seventh 5-Year Plan. These two documents provide a magnificent blueprint for our nation's socialist modernization, and are a program of action for motivating the people of the whole nation to put their hearts and minds into carrying out reform and building the two civilizations. We must take these two documents as important teaching materials to carry out education on the situation and on policies in a deepgoing way and seriously study and propagate them.

If we are to study the documents well and carry out education on the situation and on policies in a deepgoing way, we must firmly grasp the topic of reform. Reform is not only the key to realizing the Seventh 5-Year Plan, but will also have a decisive role and influence in achieving economic invigoration and prosperity in the 1990's, in reaching the great goals set for the end of the century, and in catching up and overtaking the economic and technological levels of advanced countries in the first 50 years of the next century. In study, we must look back at the achievements during the Sixth 5-Year Plan, correctly understand the relationship between construction and reform, raise our understanding of reform and strengthen our faith in reform. We must fully understand that the Seventh 5-Year Plan is a key period in our nation's economic development strategy and in further switching from the old economic system to the new. We must also fully understand the basic tasks of the Seventh 5-Year Plan and the guiding principles of major construction, the goals of economic development and the structural reforms and the major policy measures. In particular, we must deeply understand the major contents of the reform of the economic structure during the Seventh 5-Year Plan as well as the general goals and basic direction to be adhered to in reform. In order to complete the tasks of the reform of the economic structure during the Seventh 5-Year Plan: We must proceed from integrating theory and practice, and fully recognizing that the reform of the economic structure must accord with the needs of the development of the socialist commodity economy; we must fully recognize the difficulty and complexity of the process of shifting from the old system to the new system; we must fully recognize the necessity of concerning ourselves with both immediate and long-term interests during the reforms and with both partial and overall interests during the reforms; we must fully recognize the strict demands placed on enterprises by the new situation of reform; we must fully recognize the importance of government organs changing their management functions and improving their work styles; and we must fully recognize the promotional role and the guaranteeing role that the strengthening of the legal system will play in the reforms.

The Seventh 5-Year Plan is a plan under which socialist material civilization and spiritual civilization will be built at the same time. In study, we must fully understand that in order to fully realize the Seventh 5-Year Plan, we must firmly and unswervingly implement the policy of grasping the "two civilizations" together. Ideological and political work must accord with the demands of the new situation, enrich and readjust work, create new forms and methods and bring its role into greater play. In addition, we must further understand the major contents and basic principles of the peaceful foreign policy followed by our nation which is independent and in which we retain the initiative in our own hands.

Our nation is at a great turning point in history and carrying out education in the situation and in policies has very great significance. Since the 3d Plenary Session of the 11th CPC Central Committee, the Central Committee has formulated and implemented a series of principles and policies for building socialism with Chinese characteristics. This has promoted the change from the sealed or semisealed situation which existed for a long time to a situation of unprecedented opening up both domestically and to the outside world. From a natural or seminatural economy, we have moved toward a planned commodity economy. The overall reform of the economic structure extensively and deeply shakes up some of the original patterns, the traditional concepts and the benefit relationships between people. This requires cadres of the whole party to seriously study and comprehend the party's principles and policies, keep pace with the situation, and stand at the forefront of these changes. At the same time, reform is a process of continued exploration and experiment. Accordingly, people must gradually suit themselves to, and understand these changes. This determines that education in the situation and in policies is a regular and long-term task in our party's ideological and political work.

Education in the situation and in policies, and the study of the basic principles of Marxism promote each other and should be tightly combined. In order to raise our theoretical understanding of the reform and the party's principles and policies, cadres at all levels must study the basic principles of Marxism and the theory of socialist modernization, and must research the principles and policies of, and actual problems in, our nation's construction and reform. It is more important that the cadres at county level and above sit down, bury themselves in study, put their efforts into studying more deeply and take the lead in developing the fine study style of linking up theory and reality.

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ON THE ROLE OF THE SPIRITUAL MAINSTAY

Beijing RED FLAG in Chinese No 9, 1 May 86 pp 42-44

[Article by Qu Xiao [2575 0876]; capitalized passages published in boldface]

[Text] Fostering people who will struggle for communism is an important thread which runs through all our ideological and political education work and is an unswerving aim of this work. People who will struggle for communism must first be equipped with communist ideals and faith. Thus, although our work units are not the same and their education targets are different, as far as the aim of their ideological and political education work is concerned, they should be identical. Comrade Deng Xiaoping has pointed out that we should train a generation of new socialist people who have ideals, morality, education, and discipline. The reason "having ideals" is placed in the most important position of these "four haves" is because communist ideals and faith are a person's spiritual mainstay, and it is through the support of this spiritual mainstay that people engage in their various activities. Specifically, the spiritual mainstay has the following important roles:

FIRST, THE SPIRITUAL MAINSTAY CAN ELICIT A STRONG DRIVE. In psychology, a strong drive is called an internal drive. This internal drive can push a person to carry out an arduous struggle toward the noble and long-range goals which he has set and allow him to overcome difficult obstacles in order to reach the other shore. Psychological theory tells us: The more long-range and firm the goals a person sets, the stronger the psychological drive called forth. Likewise, the more short-term and more petty a goal chosen by a person, the weaker his psychological drive. The communist society for which we struggle is the most notable goal of man's social development. Communist ideals and faith are the most able to stimulate the firmest will of revolutionaries. In the harsh environment which the Red Army soldiers experienced on the 25,000 li Long March, innumerable revolutionary martyrs faced the enemy's cruel torture, gun muzzles, traps, and imprisonment, but they remained firm and unyielding and faced death unflinchingly. This was because in their hearts they held the long-range aims of overturning the three big mountains, realizing the liberation of the whole nation and the establishment of socialism so that communism could be realized in the future. Their innermost strength was great and they could face all sorts of difficulties and obstacles without fear.

As for individuals, there was the young worker Wang Zhanjun [3769 0594 6571] who suffered over many years due to a spinal fracture. He was a paraplegic and there was no way he could be cured. Still, facing the threat of death, he did not draw back and was not dejected, dispirited, or in despair. He dared to challenge death and wrote more than 10 medium-length and long novels. His growth shows that struggle can ignite the fire of life and can spread the wings by which one can fly to long-range goals. Only if a person has this desire to struggle ever upwards can he struggle without rest in realizing his great goals. All of this shows the value of the spiritual mainstay in producing a strong drive within people.

SECOND, THE SPIRITUAL MAINSTAY CAN BECOME A CENTRIPETAL AND CONDENSING FORCE IN THE COMPLETION OF GREAT UNDERTAKINGS. If individual units or collectives all progress toward a common goal, then these units and collectives will have a condensing force. Conversely, if everybody's goals are different and there are no common ideals or convictions, it will be just like a tray of loose sand and there will be no vitality or fighting capacity. Because of the restrictions of their class nature, the bourgeoisie cannot propose the great long-range aims of communism. However, proceeding from their private interests, they place stress on developing a group condensing force. For example, the Japanese Toyota Company takes being "a Toyota person" as the goal of struggle for each worker and staff member. In order to realize communism, we must study and resolve this issue even more. This is because, regardless of how superior the socialist system is or how fine communist society is, in present life, because people's consciousness, interests, and personalities differ, there are actually some areas of incomplete identity between what individuals seek and their life aims and what is collectively sought and common aims. The key to ensuring that the goals of individual units and individual collectives are uniform lies in the leaders being good at using their leadership skills to merge individual aims with overall aims.

The reason the spiritual mainstay can bring into play the role of the condensing force is because it can produce a common feeling about the common goals (common feeling refers to recognition, approval, and endorsement). This common feeling can bring forth a sense of responsibility and obligation. A popular saying goes: "If everyone works with one heart, the yellow earth will turn to gold." Having a common feeling is the link for truly holding together the collective. If there is no common feeling, then there will be no friendship between one person and another and it will not be possible to form a strong collective. Before becoming a Communist Party member, a person must study the party Constitution. This is because you must accept the party Constitution so that all comrades of the party have a common long-term goal of communist struggle. If the goals are the same, it will elicit a feeling of obligation and responsibility to struggle until the end of one's life for communism. At the present stage, if everybody's goals are aligned toward the four modernizations, a centripetal force will be generated. Under the guidance of this great goal of achieving the four modernizations, having everybody putting their efforts into the direction of progress is where the centripetal and condensing force produced by the spiritual mainstay lies.

THIRD, THE SPIRITUAL MAINSTAY CAN BE A BINDING FORCE ON ALL ACTIONS. A noble and firm spiritual mainstay plays a self-disciplining role and acts as a binding force in all aspects of an individual's moral qualities and actions. The source of this binding force is a result of internally changing, social demands into subjective demands on individuals through education. When an individual takes the moral standards of society as his own subjective and unconscious actions, then ideals, convictions, and morality will play a self-disciplining role in binding all the actions he engages in. This type of binding force must be fostered firmly and unremittingly. The ancients said: "A 1,000-li journey can only be completed by the accumulation of single steps." Only by firm adherence to regularly carrying out education and conscientiously resolving problems of understanding will it be possible for there to be a true binding force. We should try to see that every person, whether in front of others or behind and whether there are leaders present or not, is able to consciously control himself in accordance with the standards of noble moral sentiments. This not only requires that we strengthen ideological and political education, but that we also pay attention to educational methods. In my investigation, I found the following two types of enterprises. In both, the cadres wanted the young people to strengthen their own binding forces through work. However, their methods were different and their results were greatly different. One, a knitting factory, spoke little to the young people about principles and only used the methods of "checking," "grasping," "penalizing," and "discharging." This resulted in a disobedient mentality among them, and over a year the crime rate for young staff workers reached four per thousand. The other factory was a weaving mill where education was a part of the daily life. It also arranged "I will vie gloriously for the league banner" activities to inspire and educate the young people to restrict themselves from within, so that they speak as masters, act as masters, and work as masters, and all people vie to be the advanced. The ideology of all the young people in the factory was enlivened and their work was improved. The crime rate for the young people was only 0.16 per thousand. The facts show us that a binding force comes from a noble, ideological plane and is developed through continued patient training. If work is done well in this respect among the staff and workers, there will appear an admirable, noble quality. If not, there will appear distressing situations of one kind or another.

FOURTH, A SPIRITUAL MAINSTAY IS A GREAT MOLDING FORCE IN THE FORMATION OF A PERSON'S CHARACTER AND MORALS. Everything in the world can be dressed up; everything, that is, except a person's character and morals. In the process by which a person's moral character is formed, conviction plays a decisive role. In the vast torrents of men's lives, there is the convergence of two streams--the material and the spiritual. In the relationship between the two, the material forms the base while the spiritual life is the commander. The core of spiritual life is ideals and conviction. If one has communist ideals and conviction, then it is possible in life for there to be noble goals and one will be equipped with the courage and strength to push forward indomitably. Also, one's personality and qualities are continually perfected. In his youth, Comrade Zhou Enlai established the ideal "to soar and struggle for China." He decided to contribute his life to the revolutionary cause of the Chinese proletariat. Noble ideals and firm convictions enabled this proletarian revolutionary to hack his way through the difficulties and advance bravely during the practice of the Chinese revolution and become one of the founders of new China. He himself became a personal model for proletarian revolutionaries.

The source of this molding force's role lies in seriously studying Marxist theory and in the study of socialist revolution and socialist construction. Comrade Stalin once said: "Theory which departs from revolutionary practice is empty theory, while practice which does not take revolutionary theory as guidance is blind practice." ("Complete Works of Stalin," Vol 6, p 79) This absolutely cannot be overlooked by those comrades engaged in ideological and political work. We must proceed from practice and organize them to tightly link with the current practice of the four modernizations and economic structural reforms, read the works of Marx and Lenin, and study the party Central Committee's directives and central leaders' important speeches. They should also continually raise their consciousness and comprehension abilities so that they can have long-range goals in their hearts, so that in the complex struggle they do not lose direction, and so that they contribute their strengths to building socialism with Chinese characteristics.

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WHY IS IT NECESSARY TO PROCEED FROM THE DEVELOPMENT OF SERVICES FOR THE WHOLE SOCIETY IN PERFECTING THE RURAL COOPERATION SYSTEM?

Beijing RED FLAG in Chinese No 9, 1 May 86 pp 44-45

[Article by Lu Wenqiang [7120 2429 1730]]

[Text] Exploring the path of development of the rural cooperative economy is an important job in building socialism with Chinese characteristics. "On the Strategy for Rural Work in 1986," a document issued by the CPC Central Committee and the State Council, states: "The development of production of commodities in the countryside calls for the socialization of productive services. Therefore, perfecting the cooperation system must start from services." This is an important guiding principle concerning developing and perfecting the cooperation system. It is of great significance in guiding socialist practice in the countryside.

First, proceeding from developing socialized services in perfecting and developing the rural cooperation system is essential to the development of the rural productive forces and the rural commodity economy. This development will certainly promote the further specialization and socialization of rural production. With the implementation of the system of responsibility for task completion whereby remuneration is linked to output, peasant households have become producers of commodities. This has promoted the socialization of rural production, which is markedly reflected in the wide range of socialized services provided. Socialized services integrate the peasant households' production and operation activities with socialized production, so that not only are the positive factors advantageous to household operation preserved, but the limitations of household operation are overcome as well. Therefore, in perfecting the cooperation system, we must first grasp the link of socializing productive services if the cooperation system and the commodity economy are to develop simultaneously.

The most basic defect of and error in our cooperation movement of the 1950's was that it was divorced from the actual development of China's rural productive forces. It was not realized that socialism amounts to a planned commodity economy; consequently, we could not grasp the factors that could invigorate the cooperative economy. Therefore, the development of productive forces was adversely affected and some difficulties affecting the subsequent development of cooperation were created. Now, we stress proceeding from services and developing cooperation in the light of the needs of the commodity economy, with the assuming of responsibility for task completion by households as the basis; this completely accords with an objective law: Production relations must be compatible with requirements for the development of productive forces.

Currently, there is considerable imbalance among various localities and among various occupations in the development of the rural productive forces and rural commodity economy. Therefore, peasants demand many categories of services, and various cooperative organizations differing in nature, form, scale, and extent of cooperation will continue to coexist. Every category of services and every form of cooperation must comply with the peasants' wants if smooth development of the rural commodity economy is to be ensured. Developing the cooperative economy is possible only when various unorganized producers and operators, who find their own strength inadequate in their economic activities, want cooperation; the cooperative economy can be consolidated only when cooperative organizations economically benefit their members. Therefore, in developing and perfecting the rural cooperative economy, we must proceed from the reality of rural economic development, adhere to the principle of voluntary action and mutual benefit, and provide various categories of guidance and services.

Second, developing socialized services is conducive to the development and perfecting of specialized cooperative organizations. As the rural commodity economy develops, division of labor and diversification of occupations begin to proceed from the household to society, and the extent of specialization in production also continues to increase. This development of specialization and division of labor in the countryside is extremely important to improving economic results and promoting the development of productive forces. However, we should note that this kind of specialization and division of labor is often practiced on a household basis; its development objectively requires society to provide more and more services. For example, a household specialized in chicken raising can improve its extent of specialization and economic results only if society can solve the problems of supply of feed, hatching, prevention and cure of diseases, processing of eggs, packaging, transportation, marketing, and so on. Therefore, if the peasants' demand for services can be satisfied, new specialized cooperative organizations can be gradually established and existing ones consolidated in accordance with the requirements for the development of rural production.

From the very start, specialized rural cooperative organizations have had close links with the commodity economy. Their organizational scale, management methods, and distribution system are determined solely according to the objective requirements of commodity production. They are not restricted by locality or occupation, or affected by the degree of diversity of production factors. They have many varied and flexible organizational forms, like a horizontal integration of certain categories of production or operation, or a vertical integration of production, supply, and marketing, with certain products as the center, or cooperative integration involving many parties, with certain products as the initial link of a chain. Therefore, they have broad prospects of development if services are satisfactorily provided.

Third, developing socialized services helps further perfect local cooperative economic organizations that integrate centralization with decentralization. The form of operation that integrates centralization with decentralization is an ingenious innovation of Chinese peasants. Suited to the features of China's countryside and with wide-ranging applicability and strong viability, it is a new form of activity in our socialist cooperative economy. Therefore, the assuming of responsibility for task completion by households amounts to a long-term policy of our party which must not be arbitrarily changed against the aspirations of the masses. However, this does not mean that the specific meaning of centralization or decentralization must never change. As the development of the commodity and the reform of our economic system proceed in greater depth, the status of the household as a producer of commodities is continuously raised; under this condition, the specific meaning of "centralization" among local cooperative economic organizations will also correspondingly change. For example, with the implementation of assuming of responsibility for task completion with remuneration linked to output, agricultural labor productivity has greatly increased, the variety of products sold on the market by the peasants has continually increased, and specialization in agricultural production has developed; therefore, peasant households want the cooperative organizations to opportunely provide various kinds of effective services to help them before, during, and after production, like services connected with improving the variety of crops, mechanization of farming, irrigation, crop protection, marketing, technology, information, management, and so on. Therefore, the local cooperative economic organizations must strengthen their work in these areas of "centralization." However, "centralization" does not mean reverting to the beaten path of centralized labor and centralized operation. The essential meaning of "centralization" is that it must be compatible with the development of the rural commodity economy and help provide various categories of satisfactory services to peasants. Thus, it is clear that centralization will further perfect, and not weaken, the two-tiered system of operation whereby centralized operation is integrated with decentralized operation.

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WHY DO WE SAY THE FOREIGN EXCHANGE RATE IS ALSO AN ECONOMIC LEVER?

Beijing RED FLAG in Chinese No 9, 1 May 86 pp 45-46

[Article by Li Shiqiao [2621 2885 2890]]

[Text] The foreign exchange rate is a product of international exchange and a necessity in the settlement of international accounts. In dealings between various enterprises in a country, the same currency is used in settling accounts and making payments and receipts, and the question of conversion does not arise. International settling of accounts is different. Various countries' currencies differ in name and value. International settling of accounts must necessarily involve the question of currency conversion. Exchange rate is a rate of conversion between a unit of the currency of one country and that of another. It is also called the foreign exchange price because it is the price of a unit of a country's currency in terms of units of another country's currency. In conversions involving two countries' currencies, one must first determine which country's currency is to be taken as the standard of measure. This leads to two methods of pricing: Direct pricing is to express the value of 1 or 100 units of a foreign currency in terms of the domestic currency; this method is currently adopted by most countries in the world, including China; indirect pricing is to express the value of 1 or 100 units of the domestic currency in terms of a foreign currency. The exchange, buying, and selling of currencies are generally effected through banks. Therefore, exchange between currencies involves a buying price and a selling price. For example, on 5 March 1986, the exchange rate between the U.S. dollar and renminbi, as announced by China's State Foreign Exchange Management Bureau, was U.S.$100 to 319.99/321.56 yuan. The first figure is the price at which banks buy, and the second that at which they sell, U.S. dollars. Their difference is the banks' operational income.

The foreign exchange rate is not only a standard for calculation, but is also a link between the domestic and foreign economies. Changes in the exchange rate affect the economy in many ways. A rise in the exchange rate means that the value of the domestic currency relative to that of foreign currencies rises; a fall in the exchange rate means the opposite. With a fall in the exchange rate, the prices of domestic exports in terms of foreign currencies will fall, exports will increase because they can now have stronger competitive ability on the international market; moreover, imports can be reduced because their prices in terms of the domestic currency will rise. The opposite will occur with a rise in the exchange rate. These are the initial effects of exchange rate changes on prices. In the longer term, exchange rate changes can further affect a country's resource allocation and cause changes in its economic structure. When the exchange rate is appropriately lowered, enterprises that produce or deal in exports will be benefited to some extent in the settlement of their foreign exchange earnings accounts; this will help mobilize enthusiasm in producing exports and promote the gradual flourishing of those economic sectors closely connected with foreign trade. Using the regulatory role of the exchange rate to appropriately restrict imports also benefits the domestic production of competitive products or import substitutes. The exchange rate and commodity prices are interrelated and each of them limits the other; changes in one will cause changes in the other. The exchange rate is part of the entire economic mechanism and is also an economic lever which, by virtue of its role in external economic relations, affects the national economy in certain ways. A full use of this economic lever can help our country attain its economic goals.

In China, the exchange rate is also a necessary link in the economic accounting work of enterprises doing export business. How well an enterprise is operated, and whether it is earning a profit or incurring losses, can be reflected only after its foreign exchange receipts or payments have been converted through the use of the exchange rate. In the past, the system of "eating out of the big rice pot" governed China's foreign trade work, profits or losses in import and export business were absorbed by the foreign trade departments themselves, the exchange rate was viewed merely as a technical standard used in statistical and accounting work, and its role in regulating the economy was ignored; consequently, the flow of commodities between China and the outside world was not facilitated by a good link, and the development of external relations was affected. Now, with the in-depth development of the overall reform of our economic system, the exchange rate of the renminbi has become closely connected with the economic accounting work and results of operation of many localities and enterprises, and fully paying attention to and developing the role of the exchange rate as an economic lever has become an objective need in our system reform and in opening China to the outside world.

The exchange rate is a means of economic regulation, but does not play a role all by itself. Its role is subordinate to the overall reform of the economic system, and it must be combined with other economic measures or requisite administrative measures to form a complete regulatory system. For example, the reform of the pricing system is the basis of that of the exchange rate system. If domestic prices are not straightened out, and if prices neither reflect value nor reflect demand and supply relations, then it is impossible to determine the reasonable level of the exchange rate, and developing its role in regulating the economy will more certainly be out of the question. Moreover, regulation by the exchange rate is mainly geared to macroeconomic phenomena even though it is to some extent effective in the microeconomic arena as in the case where it encourages enterprises to reduce production costs and improve economic results. There are tens of thousands of categories of import and export commodities and numerous differences in export costs, so that it is impossible for a country to set tens of thousands of exchange rates. A uniform exchange rate cannot perfectly reflect and suit the characteristics of various categories of import and export commodities, however rigorous the calculations used in its determination. Only if it is closely integrated with various economic measures like customs duties, credits, necessary financial subsidies, and so on, can it effectively promote the rapid development of external economic relations.

Adjusting the exchange rate is an economic measure that is to a very great extent a matter of policy. It calls for respect for objective economic laws, particularly the law of value. In real life, foreign exchange is regarded as a special commodity, and exchange rate is the price of this special commodity; that is, a ratio of the prices of various countries' currencies. As the prices of other commodities fluctuate around their value owing to changes in market demand or supply relations, so should exchange rates fluctuate within certain limits around the values of, or the values represented by, the currencies of various countries. Price changes on the domestic market or the international market indicate changes in the ratios between the values of various countries' currencies. If the exchange rate is not then correspondingly adjusted, errors of overestimating or underestimating the value of the domestic currency will arise, adversely affecting the domestic economy, particularly import and export trade.

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CSO: 4004/53

ON 'BEING MORE SERIOUS'

Beijing RED FLAG in Chinese No 9, 1 May 86 p 47

[Article by Li Gengchen [2621 1649 6591]]

[Text] The CPC Central Committee has resolved to correct unhealthy tendencies and has dealt with and announced several major or serious cases, winning popular support and to the immense satisfaction of the people. Many people joyfully say: "Very good! This time they are more serious!"

Things like vigorously indulging in unhealthy tendencies and illegal or criminal activities have always been deeply resented by the masses and are not tolerated by party discipline or state law. However, some people just persist in their old ways, paying no heed to all this. Isn't it strange? This is not so strange after all, if we consider the most important reason behind this; namely, being not sufficiently serious in dealing with that kind of people or things. When those indulging in dishonest practices become "knowledgeable," they also become perverse and glib, so that whatever you may say, they will do what they like, without care for party discipline or state law. Now, in resolving to overcome all kinds of resistance and obstacles, to correct the party's style of work and the general mood of society, and to safeguard the prestige of our socialist legal system, the CPC Central Committee requires people at all levels to take a more serious attitude.

In doing any job or implementing any policy or guiding principle, we must be more serious if we want genuine fulfillment. This has been repeatedly stressed by the CPC Central Committee. If our policies are not carried out, if our law enforcement personnel are not strict and impartial, or if we deal with different people according to different criteria, being lenient to some and strict to others as we like and performing our duties perfunctorily, so that obedience is unnecessary and credence is useless, the authority of law and discipline will surely be undermined.

The important thing about "being more serious" is the necessity of "genuine measurement." Policies and decrees are like a gauge. They should be used for "measurement" and judgment in every case. Actions should be taken as the results of measurement call for, without toleration, accommodation, being perfunctory, or pardon. If one pretends to "measure," paying attention to some facts but deliberately ignoring others, and falsely brandishing the cudgel for a moment before relinquishing all investigations, then naturally nothing can be "measured" at all. Or, even if through actual "measurement" one finds that there is a case to investigate, when one discovers that the case has a "complicated background" and the suspect has strong "backing," one will steadfastly remain silent and keep oneself clear of the case. This is merely "false measurement," which will inevitably undermine the party's prestige and disappoint the masses. If no one is upright enough to act in the interests of the party, the nation, and the people alone, courageous enough to enforce the law impartially and brave the displeasure of those in power, or energetic enough to hack one's way indomitably through all sorts of difficulties, then how difficult it will be to "be more serious"! Precisely because of this, "being more serious" is highly valued, the masses particularly applaud "being more serious," and they particularly support people distinguished for "being more serious." Nowadays, television continues to show plays about Baogong [government official in Song Dynasty noted for personal integrity, strictness and impartiality in law enforcement, and fearlessness in dealing with those in power]. Do not people like to watch "Baogong" precisely because he dared to "be more serious" and because in real life some units are sometimes not sufficiently serious? In discussing how to run the state, Zhou Tan of the Tang Dynasty wrote the following verse: "Running the state is as easy as managing an army. It is most important that military rules be observed. In meting out punishment one must not mind that the culprit is the emperor's favorite. Your phalanxes are consolidated the moment the sword of execution falls as you casually smile." This verse advocates "being more serious." According to its argument, whoever violates discipline must be punished resolutely according to discipline, and whoever breaks the law must be apprehended or punished as he should be. "Being more serious" should be applicable at all levels, not confined to some particular level. In this way, the party's style of work and the general mood of society can basically improve.

Comrade Mao Zedong said: "'Seriousness' is a fearful force in the world. The Communist Party pays greatest attention to 'seriousness.'" We can say that daring to "be more serious" and being unambiguous on matters of principle amount to a fine style of work of our party. In the past, with the help of this style of work, we upheld the truth and corrected mistakes, both in the interests of the people, achieving one great success after another in the practice of transforming the world. Today, if the whole party continues to carry forward this style of work, and if leading cadres at all levels take the lead to set good examples and practice what our party advocates, basically correcting the party's style of work and the general mood of society will undoubtedly be successful.

Actually, the urgent need for the spirit of "being more serious" is not confined to the question of correcting the party's style of work. At present, advocating the spirit of "being more serious" is necessary to various sectors and occupations and various categories of work.

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WE HAVE SOMETHING BRIGHTER THAN FLASHES OF LIGHT PRECEDING AN EARTHQUAKE--READING 'SERIOUS EARTHQUAKE IN TANGSHAN'

Beijing RED FLAG in Chinese No 9, 1 May 86 p 48

[Article by Ding Chen [0002 1820]; "Serious Earthquake in Tangshan" carried in JIEFANGJUN WENYI [PLA LITERATURE], March 1986 issue]

[Text] "Serious Earthquake in Tangshan" by Qian Gang is a very outstanding work of reportage. It both considerably realistically reflects this catastrophe which shocked the world, and portrays concretely and in depth the brilliant spirit and style of the Chinese people under the trial of a rare catastrophic earthquake.

Using the method of dealing separately with various parts of a bird's-eye view of the entire situation, the writer passes on to later generations a complete picture of the fight against the earthquake and the rescue work undertaken. A wonderful feature of his work is that it is long but not boring, elaborate but not disorderly. After the great earthquake had razed Tangshan to the ground, "Zhongnanhai was rocked," as was the whole nation. Then, "all roads leading to Tangshan were full of flying dust" as large numbers of rescuers and large quantities of relief materials rapidly rushed in "from the ground and from above." A fight to rescue lives immediately started in "the city in agony." Although this earthquake of 1976 happened in a time of great political turbulence, when our motherland and the people were still encompassed by the calamity and disaster caused by the "gang of four," there were still a kind of steadfast strength and firm and reliable conviction, which we can detect from the work. These fine spiritual qualities, engendered by the socialist system and many years of education in communist ideology, turned at the moment into epic, lofty deeds and stories of heroes. The 100,000 officers and soldiers, under the threat of aftershocks, intense heat of summer, and epidemics, endeavored to rescue the victims. More than a dozen provinces in our country received and treated casualties and accommodated children. This very large-scale coordinated rescue effort is seldom seen in the world.

The readers will not forget those survivors who, having just emerged from the ruins, "went to rescue their screaming neighbors instead of retrieving their own relative," those who took care of each other in daily life though they were not family members, the silvery hair, streaming in the autumn wind, of old people among the crowds at the Tangshan railway station that bid farewell to 3,000 orphans, and the scene in the streets of Shijiazhuang where the orphans of Tangshan were received "like heads of foreign governments." How can the deep love and virtues permeating thorugh the descriptions fail to move the reader to tears and cause him to think deeply?

Another outstanding feature of the work is that its structural method of "complete bearing" goes from form deep into content. The writer does not make his work a report about good people doing good things in the fight against the earthquake and in the rescue work done. He scales a deep slope toward a higher summit. He wants to depict the behavior of all creatures from his unique angle. Of course, there were those soldiers and workers who forgot themselves and rescued others, the blind man who comforted others in the ruins by playing his three-stringed plucked musical instrument, and even prisoners who requested permission to join the rescue work. However, the writer also mercilessly fixes his sight on the frantic surge of robberies, the fellow who grabbed watches from the dead bodies.... His description of the organization and disintegration of the "big family" in the "ark," and his ensuing penetrating remarks, greatly enhance the capacity and depth of the work. Does this method of expression, which candidly depicts various facets of people's souls at the time of the disaster, tarnish or distort "the soul of children of the Hua mountains and River Xia," of which we have always been so proud? No. It is precisely these real life scenes of people and facts that jolt the reader and make him feel the vivid existence of the nation and perceive its really vigorous viability. This work really is not a honeyed complimentary article that pleases all. It is its unique acrid, peppery, and bitter taste that enables people to more clearly understand that special period. People will for a long time remember its lingering and profound charm.... The writer's deliberations on the unprecedented criminal situation of "political 1976" amount to an execration of that absurd period: "Would those crimes have occurred if the great earthquake of Tangshan happened in 1956 or 1965?"

The work also to a definite extent gives an artistic reflection and philosophical examination of our scientific standard which was being tested by the great earthquake. Of considerable value as historical data is the full and accurate information in the work; for example, the "Xingtai-Haicheng-Tangshan-Wuqia" route, along which battles were waged against the demons, told of the utmost efforts of those workers fighting against the earthquake, and of the footprints we have left behind as we gradually advance from the "realm of necessity" to the "realm of freedom." Moreover, the work makes us seriously think about our initiative in understanding nature. While regretting that we are not yet giants "whose vision extends as far as several hundred miles and whose insight penetrates earth and heaven," the writer firmly believes that the riddle of earthquakes will be resolved and the laws governing earthquakes will one day be mastered by man; because man is great after all and the light of hope will never be extinguished! Man's light of hope, wisdom, and spiritual strength are much brighter than the blue light preceding an earthquake!

On this eve of the 10th anniversary of the "July 28" catastrophe, while implementation of the Seventh 5-Year Plan is beginning, reading this report, in which the blood and tears of several hundred thousand dead or injured compatriots have congealed, is of significance to a better understanding of ourselves and nature by us Chinese or even by all mankind, and is even more surely conducive to the further carrying forward of our fine traditions, enhancing our national spirit, and arousing our drive to constantly strive to advance.

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A NEW BOOK DISCUSSING INVESTIGATION AND STUDY--INTRODUCING 'AN INTRODUCTION TO INVESTIGATION AND STUDY'

Beijing RED FLAG in Chinese No 9, 1 May 86 inside back cover

[Article by Wen Sheng [2429 3932] and Wei Zhang [0251 4545]]

[Text] "One who does not investigate has no right to speak." This dictum of Comrade Mao Zedong fully illustrates the importance of investigation. In the current historical period, we must certainly continue to adhere to the work style of relying on investigation and study. How can we satisfactorily conduct investigation and study? What problems, ranging from ideological to practical ones, must we pay attention to solving? Some useful enlightenment can be gained from the book "An Introduction to Investigation and Study" written by Comrade Zhu Ping and published by the Shaanxi Renmin Publishing House.

"An Introduction to Investigation and Study" is a treatise whose writer takes classical Marxists' expositions on investigation and study as the basis on which he adds useful modern scientific methods. The book has 12 chapters. The first three chapters discuss the great significance of strengthening the work of investigation and study in connection with the Marxist theory of knowledge, the carrying forward of our party's fine tradition, and the historical mission of building socialism with Chinese characteristics. The next three chapters discuss the three principles to which we must adhere in investigation and study; namely, we must proceed from objectively existing facts, we must strengthen scientific analysis and comprehensive study, and we must seek truth from among the masses. The last six chapters relatively thoroughly expound certain questions related to the satisfactory performance of investigation and study work; for example, what specific methods must be mastered in investigation and study, how to choose good subjects for investigation and study, how to write good investigation reports, how to apply and popularize the use of results of investigation and study, what kind of training investigation and study personnel should have, and so on.

A feature of this book is that it adheres to linking theory to practice and it pays attention to integrating theory with practice in its analysis and examination of various questions. The work of investigation and study is in itself "an important bridge that brings the subjective realm in line with the objective realm," "the central link in the integration of theory with practice," and "the specific manifestation of the dialectical unity of perceptual and rational knowledge." In discussing this and other questions, the writer pays attention to using theory as a guide in reviewing and analyzing practical experience and quotes a wide range of interesting examples, including past, present, Chinese, and foreign ones, in order to illustrate the theory, method, and importance of investigation and study. The writer strives to closely integrate the tenets in the Marxist theory of knowledge with specific factual examples, embedding principles in factual examples and blending theoretical reasoning with materials of interest, so that the book is not boring.

Another feature of this book is that it exhibits a high degree of modernity, the writer taking care to assimilate new and modern achievements in science. In discussing the modernization of methods and means of investigation, he takes care to analyze the significance and role of new information technology and systems methods as represented by computers, and he points out the relationship between modern scientific methods and materialistic dialectical principles. He also stresses that in investigation and study, the use of modern scientific methods and means must be integrated with traditional methods and means; we must proceed from reality and gradually attain our goals, instead of departing from reality and being overly eager for success. These points are of practical significance to improving our current investigation and study.

This book is a tentative treatise and has certain shortcomings; for example, some chapters are not sufficiently thorough, and some chapters are too lengthy. Nevertheless, it is after all a relatively satisfactory reference book on investigation and study.

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China Report

RED FLAG

No 10, 16 MAY 1986

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CHINA REPORT
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ATTACH MAJOR IMPORTANCE TO BUILDING CONTINGENTS

Beijing RED FLAG in Chinese No 10, 16 May 86 p 2

["Forum"]

[Text] XINHUA news agency has filed a news item reporting that some traffic officers in the counties of Lintong and Changan, Shaanxi Province, abused their authority in stopping cars, and the provincial communications department took measures to deal with those "bullies on the road," who are officers subordinate to the department. To be sure, this report refers to a specific event occurring in a specific place; however, as a specific phenomenon in certain trades, the unhealthy tendency reflected by this event is in fact rather prevalent. It indicates that one of our tasks of top priority is to strengthen the education and training of our ranks of workers.

The majority of Chinese workers is of good quality. However, as we are now facing very complicated and arduous tasks and our ranks of workers are being largely renewed, both their political and vocational qualities no longer meet the needs of the new situation and the new tasks. In order to ensure that their own reform and construction will be carried out smoothly and to help to fulfill the Seventh 5-Year Plan, all departments and units must earnestly strengthen the building of their ranks of workers, while doing a good job in their vocational fields.

Upgrading the political quality of the ranks of workers is a task of prime importance in strengthening the building of the ranks of workers. As we have mentioned above, unhealthy tendencies have been witnessed as specific phenomena in certain trades. The masses have criticized some of our departments and units for "taking advantage of the mountain when living near the mountain and taking advantage of the river when living near the river," namely, making use of their power (for example, their power to dispose of human, financial, and material resources) to seek personal interests. In "taking advantage of the mountain and the river," they are in fact taking advantage of the state and the people. Furthermore, some units or individuals have even gone so far as to "take advantage" of the state and the people by hook or by crook, fully ignoring the interests of other departments, other units, and the masses, as well as the interests of the whole. We can find this phenomenon not only in some leading organs but also in all walks of life. This highly corrosive tendency must be dealt with seriously. Our leading organs and principal leading cadres must also take the lead in eliminating unhealthy tendencies as specific phenomena in certain trades. Only when their own work style is rectified can our leading organs efficiently exercise leadership in handling issues relating to departments and units subordinate to them and truly carry out the policies. This is a very difficult task which can only be accomplished through repeated and persevering efforts to develop education and enforce discipline.

Upgrading the political quality of the ranks of workers can mean many things, such as the idea of wholeheartedly serving the people, the courage to act as pioneers and to blaze new trails, a down-to-earth and hardworking style, a high sense of discipline, a high standard of vocational ethics, and so on. Of these requirements, the most important are the lofty ideal of communism and the profound understanding of one's responsibility to strive for the prosperity of the country and the well-being of the people. With such a spiritual pillar, one will have pure, correct, and firm faith to support oneself and thus will be able to more readily resist corrosion and evil tendencies. The spirit of blazing new trails is in keeping with the down-to-earth and hardworking style, and they cannot be separated. In the past, we waged the revolutionary war and built up our bases. Our struggle at that time was both the brave pioneer job and hard work that cost blood and sweat. We must carry forward this revolutionary tradition and apply it to our practice in the new period.

Upgrading the vocational standard of our ranks of workers is equally important. As the attempt to build socialism with Chinese characteristics is a completely fresh undertaking, all walks of life will encounter a host of new cases and new problems. Some practices with which we have long been familiar are no longer applicable and some others need to be revised and developed. Meanwhile, we must also make the best use of our time to learn many things about which we know little. Some young people must even start from the very beginning with a view to laying down a solid foundation. Without sound knowledge of one's vocation and good ability, one can hardly do a good job in one's position, and will fail to make contributions to the four modernizations. We must encourage our workers to study hard, to cultivate a mentality of keen pursuit of knowledge, to study the basic principles of Marxism, culture, vocational knowledge, science and technology, and the advanced management know-how of China and foreign countries, and to emulate outstanding figures on various fronts as well. So long as all of us, from the leadership to the grass roots, thoroughly understand the urgent need of educating and training the ranks of workers, attach importance to and engage in this task, and thus foster a powerful contingent that has both political integrity and strong vocational ability, we will have a genuine guarantee of the success of our socialist modernization.

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IMPROVING THE QUALITY OF PARTY MEMBERS IN AN ALL-ROUND WAY IS THE SOLID FOUNDATION FOR EFFECTING A FUNDAMENTAL TURN FOR THE BETTER IN PARTY STYLE

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 3-14

[Article by Zhang Yun [4545 5686]]

[Text] Correcting party style has recently become a major event in the political life within our party. At the beginning of this year, the CPC Central Committee made a further important policy decision on starting party rectification from the central party, government, and army organs and Beijing municipality. The decision also called on the departments directly under the central authorities and all party members of the capital to take the lead in correcting party style and set an example for the whole nation. The news buoyed up the spirit of the majority of comrades of the party. In view of the great determination of the CPC Central Committee, the comrades who were extremely worried about the party's future also enhanced their confidence in effecting a favorable turn in party style.

How, then, should we effectively correct party style so as to consolidate and develop the fine style of our party? Over the past few months, I made some special investigations and studies on the matter and probed the gains and losses of the recent party rectification work of certain localities. I deeply realized that our party style should be corrected both within and without, and the stress should be put on effecting a permanent cure, that is, improving the quality of party members in an all-round way.

Party Spirit, Quality of Party Members, and Party Style

Lenin, the great proletarian revolutionary teacher, had the following famous dictums: "We do not need nominal party members even as a gift. Our party, the party of the revolutionary working class, is the only government party in the world which is concerned not in increasing its membership but in improving its quality, and in purging itself of 'self-seekers.'" "We should leave in the party only politically enlightened elements who are sincerely devoted to communism," and adopt various measures at the same time "to purge the party of those who are only 'out for' the benefits accruing to membership of a government party and do not want to bear the burden of self-sacrificing work on behalf of communism." ("Selected Works of Lenin," Vol 4, p 76)

"Improving the quality of party members" emphasized by our party coincides with that emphasized by Lenin.

Our party was founded according to the party building principle of Leninism. It has always taken note of vigorously and prudently expanding its ranks amid struggles and ensuring the fine quality of its members under very strict conditions. The history of our party has proved that only by doing this can we maintain the nature of our party as the vanguard of the working class, keep it close to the masses, preserve the fine revolutionary tradition and party style, retain undaunted and all-conquering combat effectiveness, and prove to be a loyal representative of the people of all nationalities and the core of leadership of China's socialist cause. If we slacken our efforts and are negligent in this regard, the quality of our party members will decline drastically, the combat effectiveness of our party will be weakened, the prestige of our party will be impaired, and the party's cause will suffer losses and setbacks. For this reason, we should not lightly treat the question of improving and ensuring the quality of party members.

What qualities should our party members possess? Generally speaking, they include the following which are interrelated and also different from each other: First, the party spirit inherent in our party; and second, the subjective conditions every party member should possess to do his job well, fulfill the mission assigned by the party, and contribute to the party and people, that is, the political, ideological, cultural, and professional qualities each party member should possess.

Regarding the question of party spirit, I mentioned it in a special article written before. I summarized the hallmarks distinguishing our party from other political parties into the following: A scientific world outlook, lofty ideals, fundamental purpose, iron discipline, the mass line, and self-criticism. It should be emphasized that party spirit is the essence and soul of party members. It goes without saying that party members should regard the party spirit of the CPC as their own. Without party spirit, they would not be qualified to be party members. If they lack party spirit, they will not be able to fulfill the duties of party members and give full play to their exemplary role. Consequently, they will not be entitled to be qualified party members. There is no end to enhancing party spirit. We must follow the example of Comrade Zhou Enlai and live and learn. Only by doing so can we be worthy of the name communist throughout our lifetime.

What are the specific contents of political, ideological, cultural, and professional qualities of party members?

Political quality includes the following: Adhere to the four basic principles and resist and fight against the decadent ideas of feudalism and capitalism. Retain unity with the CPC Central Committee politically, follow the party's line, principles, and policies faithfully, and never pretend compliance or act as one pleases. Value and maintain the unification and unity of the party and never practice factionalism or carry out nonorganizational activities. Abide by the party's organizational principle of democratic centralism scrupulously and never adopt the method of letting one man alone have the say toward the lower and same levels or practice decentralism toward the higher levels. Observe party and government discipline and state laws and never seek personal privileges, abuse power, or neglect discipline and laws. Remember that a party member is always one of the laboring people, and should maintain close ties with the masses and share weal and woe with them, and never act like an overlord or consider himself superior to others. Be open and aboveboard, think and act in the same way, and never conceal one's political viewpoint, resort to double-dealing, or barter away principles.

Ideological quality includes the following: Uphold the ideological line of seeking truth from facts and never practice idealism or metaphysics. Carry forward the spirit of communism and collectivism, proceed in all cases from the interests of the party and people, and resolutely forsake individualism, liberalism, and anarchism. Foster the idea of being the master of one's own affairs and break with the hired hand mentality. Serve the people and revolution wholeheartedly, work selflessly for the public interest, and never seek private gain at public expense, harm others to benefit oneself, abuse power to seek personal gain, or forget honor at the sight of profits. Persist in the lofty sentiments of a communist, scrupulously abide by communist morality, and never seek vulgar interests. Carry forward the devoted spirit of fearing neither hardship nor death and never try to seek ease and comfort. In a word, a communist should conscientiously transform his subjective world while transforming the objective world, carry out active ideological struggle, resist and eliminate nonproletarian ideas of every description, and foster the proletarian outlook on world and life.

As far as cultural quality is concerned, a communist should adapt himself to the needs of the new tasks of the party in the new period and study hard and master modern scientific and technological knowledge. Not long after the victory of the October Revolution in Russia, Lenin said: "A communist society cannot be built in an illiterate country." ("Selected Works of Lenin," Vol 4, p 357) During the revolutionary war years in China, Comrade Mao Zedong also said: "An army without culture is a dull-witted army, and a dull-witted army cannot defeat the enemy." ("Selected Works of Mao Zedong," Bound Volume, p 1009) At present, when the whole party is advancing toward the building of socialism with Chinese characteristics, Comrade Deng Xiaoping emphatically pointed out: The fundamental purpose of building socialist spiritual civilization is to enable the broad masses of the people to have lofty communist ideals, morality, better education, and a sense of discipline. All this shows the importance of improving the cultural quality of party members.

Regarding professional quality, a communist should strive to be proficient in whatever job he is given and constantly improve this work. Party members of all trades and professions should be familiar with their work and master the knowledge and skill required for certain fields. Party cadres assuming leadership should be good at taking the whole situation into account and possess the organizational art of leadership. The comrades in charge of economic work should particularly study and master the skill of exercising scientific management over modern enterprises and institutions.

The political, ideological, cultural, and professional qualities of party members form into a whole and none of them can be dispensed with. They can be summarized into "being both Red and expert" or "having both ability and political integrity." It must be emphasized here that a communist should put enhancing party spirit and improving political and ideological qualities in the first place. On this basis, the party encourages and supports all its members to improve their cultural and professional qualities, develop their strong points, and be proficient in a special field. This is similar to putting "more revolutionary" in the first place of the "four requirements" for cadres. The tendency of putting undue stress on cultural and professional work at the expense of political study and ideological transformation that appeared some time ago deserves attention. If we fail to curb this tendency, the people we have trained may lose their political bearings and go astray!

The political and ideological qualities of party members are the principle of party spirit manifested in practice. By carefully observing the political and ideological qualities of a party member, you can easily judge his party spirit. The political and ideological qualities of party members are also closely linked with party spirit. Some years ago, I drew the following conclusion: "Party spirit determines party style, party style reflects party spirit, and party spirit is the expression of party style." After acquiring an understanding of the relations between political and ideological qualities and party spirit, we can also say that party style reflects the political and ideological qualities of party members or is the expression of the political and ideological qualities of party members. Party members with a strong sense of party spirit and high political and ideological qualities are "immune from diseases." Like lotus emerging unstained from the filth, they can withstand material and money incentives and other sugar-coated bullets, and brave the storms. They have maintained fine party style and embodied the heroic image of communists, and have won honor for the party and brought credit to the state. Outstanding party members like this can be found everywhere. Party members with inferior political and ideological qualities who lack a sense of party spirit are "not immune from diseases" and are actually "carriers." They forget honor at the sight of profits, catch cold easily when they encounter unhealthy tendencies, and engage in dishonest practices. They cannot withstand material and money incentives and sugar-coated bullets. They have brought disgrace on the party and state, impaired the prestige and image of our party, and hindered the party's cause. Although these party members who are unworthy of the name constitute a minority, they may cause great harm just like a rotten sheep infecting the whole flock!

The positive and negative experiences concerning party style have taught us that we must adopt the following two measures to correct party style: First, starting with checking unhealthy tendencies, plugging loopholes, and earnestly investigating and dealing with the important and major lawbreaking cases, party and government organs should lay down hard and fast rules on the major problems concerning party style and ensure strict execution of the rules. Second, make unremitting efforts to enhance party spirit and improve the quality of party members and strike at the root of the matter to achieve the anticipated results, thus laying a solid foundation politically and ideologically for correcting party style and effecting a favorable turn in party style.

The Status Quo of the Quality of Party Members

Our party has a total of over 42 million members distributed in more than 2 million grass-roots branches of various localities and trades throughout the country. What about the quality of this large contingent of party members?

Let us first examine some findings. Some of them are related to party members and some are a mixture of grass-roots party branches and party members. The findings indicate some problems. For example, Beijing municipality made a sample survey of 1,949 party members of 138 urban and rural grass-roots branches in June last year. Of the total, party members who set strict demands on themselves, gave full play to their exemplary role, and set an example for the masses accounted for 36 percent; those who basically performed the duties of party members but failed to play an exemplary role accounted for 52 percent; those with poor behavior and many problems who could not even fulfill the duties of party members accounted for 10.5 percent; and those imbued with individualism and anarchism who violated law and discipline, exerted an adverse influence among the masses, and were not even qualified to be party members accounted for around 1.5 to 2 percent. Here is another example. During last June and July, Hebei conducted a sample survey of 70,000 party members of 2,400 urban and rural grass-roots party branches. The survey indicated that the fine and relatively good branches and party members accounted for around 35 percent; the ordinary branches and party members in the middle accounted for around 45 percent; and the paralyzed or semiparalyzed branches and unqualified or basically unqualified party members accounted for around 20 percent.

The above findings include both urban and rural areas. What about the situation in the countryside alone? According to an investigation made by Jiangsu last year, of the rural party members throughout the province, those who played an exemplary role accounted for around 40 percent; those in the middle accounted for around 50 percent; and those with poor behavior accounted for around 10 percent. According to the analyses of the relevant central departments on the findings submitted by 19 provinces, autonomous regions, and municipalities, the grass-roots party organizations in the rural areas that were able to properly implement the party's principles and policies, vigorously carry out reforms, make remarkable successes in leading the masses on the road to prosperity, and play an exemplary role of a fighting bastion accounted for around 30 percent; those that could implement the party's principles and policies, develop commodity production, but could not give full play to their role as a fighting bastion and lacked pioneering spirit accounted for around 50 percent; and the weak and incompetent party organizations that failed to develop production or play the role of a fighting bastion accounted for around 20 percent (of this, the paralyzed party organizations with serious problems accounted for around 5 percent).

The comprehensive investigation of urban and rural areas or the investigation of rural areas alone shows that the proportion of advanced, middle rank, and backward party branches and members is more or less 30 percent, 50 percent, and 20 percent, respectively.

The above findings can also be proved by the development and changes in the situation in recent years. It is obvious to all that in the short period of 7 years or so since the 3d Plenary Session of the 11th CPC Central Committee, gratifying earthshaking changes have taken place within and outside the party and throughout the nation. With a vast scene of prosperity across the country, the people are full of vigor and are confident in the future. Thanks to the prompt measures adopted by the CPC Central Committee, the new problems arising from reform, opening up and economic invigoration are being resolved. The general trend of the development is healthy and normal. Just imagine: Had it not been for a long-tested, politically matured CPC Central Committee which proceeded from China's national conditions, correctly applied Marxism-Leninism-Mao Zedong Thought to guide China's revolution and construction, and set an example for the whole party; and had it not been for the majority of fine and relatively good party members who resolutely implemented the party's line, principles, and policies in all fields of work and who led the people in advancing toward the four modernizations, would it have been possible to create the current favorable situation?

Nevertheless, the above findings also indicate the seriousness of the following question: The quality of the large contingent of party members is uneven. The political and ideological qualities of a considerable number of party members are relatively poor, and some even worse. Although we have made efforts in recent years to correct party style, we have not yet effected a fundamental turn for the better. Therefore, we must continue to make strenuous efforts to carry out party rectification.

Bureaucratism, abusing power to seek personal gain, establishing relationships, and putting money above everything else, namely, the four major epidemics are serious unhealthy tendencies prevailing within the party. They are the principal aspects of all unhealthy tendencies which give rise to unhealthy tendencies of every description. The party spirit and political and ideological qualities of a party member can easily be judged from whether or not he is infected by the four major epidemics and from the extent of his infection.

Bureaucratism is the scourge of a party in power. A number of party members assuming leadership work are more or less tainted with bureaucratism. The manifestations of bureaucratism, though varied, have a common characteristic: People tainted with bureaucratism are divorced from reality and the masses and they lack a sense of political responsibility to the cause of the party and people. Bureaucratism, when developed to a serious extent, constitutes the guilt of dereliction of duty. In the work of our party and government, there are numerous cases of appalling economic losses and adverse political influence caused by certain leading organs and cadres due to serious bureaucratism and dereliction of duty. The harm caused by these cases is shocking. Furthermore, it is an "insidious disease." Some bureaucrats fail to realize their bureaucratic practices simply because they are tainted with bureaucratism, yet they have an easy conscience and enjoy doing so. During the first stage party rectification, RENMIN RIBAO reprinted "Combat Bureaucracy" written by Zhou Enlai in 1963. The article made a most telling exposure of the dishonorable practices of bureaucratism. It is a pity that it failed to draw the attention of various quarters at that time. Although bureaucratism was mentioned, it was not dealt with in earnest. In my opinion, we must make up for the missed lesson. In order to combat bureaucratism, we cannot merely pay lip service or combat it quietly with the doors closed. We must create public opinion, enumerate the manifestations of bureaucratism, analyze their harm, suit the medicine to the illness, and strike a heavy blow at the bureaucrats so that they can wake up with a start and thoroughly rectify their errors.

Abusing power to seek personal gain is also very common. Party members assume power more or less at various posts. Although the majority of comrades can treasure the power granted by the people and correctly exercise the power to serve the people, some party comrades with poor qualities and impure party spirit, including certain leading cadres at the higher levels and those in charge of money, materials, water, and electricity at the lower levels, may abuse their power, regard it as a ready source of money or the "means" to seek various "advantages," and abuse whatever power they have to seek personal gain! This "epidemic disease" harms the party, the state, and the people infected! Although decent people are disgusted by the disease, they are forced to keep their resentment to themselves for fear that if they expose and resist the "disease," they will suffer revengeful retaliation. The broad masses usually regard it as much more than a violation of discipline by a handful of party members, thus arousing dissatisfaction against the party. The "disease" impairs the prestige of our party and also dampens the enthusiasm of the masses in building the four modernizations. Those who have abused power to seek personal gain will eventually come to no good end. Their practices will be exposed sooner or later and they are bound to be punished according to party discipline or state laws. Therefore, we advise them to give up the idea of leaving things to chance and honestly serve the people!

Establishing relationships and backdoor deals are also very popular nowadays. The sayings "Even though the official seal is as big as a bowl, it is not as good as a word from an acquaintance" and "If the front door is blocked, the matters can easily be arranged through the back door" are vivid descriptions of the practice of establishing relationships. At present, when certain localities are investigating and handling the major and important cases, there are always people from the higher to lower levels who try to shield the guilty persons and intercede for them. They place all sorts of obstacles to the work, thus making it very difficult to handle the cases. Owing to the practice of "appointing people by favoritism" of certain leading cadres, it becomes difficult for some units to "appoint people on their merits" and to select cadres in a fair manner. In places where the practice of "establishing relationships" is running wild, the rules and regulations are ignored and you can do nothing by following them. In a word, those who are infatuated with "establishing relationships" proceed in all cases from the interests of the individual or small groups. They stand for personal sensibilities and relationships rather than principles and the interests of the party and people. They regard the normal relations and contacts between organizations and among people as relations in which each makes use of the other. Naturally, many of our comrades are against "establishing relationships." But they sometimes have no choice but to follow the practice. This should never be regarded as a normal phenomenon and be recognized. Some decent comrades fail to stick to principles sometimes for fear of hurting the feelings of others. Tricked by bad elements, they may even serve as cat's-paws unintentionally. Haven't there been numerous lessons like these in recent years? We must resolutely oppose, resist, and eliminate the practice of "establishing relationships" because it is incompatible with our party spirit and the proper qualities of our party members!

Some party members are "infected" by the "epidemic disease" of "putting money above everything else" due to their weak party spirit, poor qualities, and failure to withstand material and money incentives in social life. These people have forgotten the pledge made while joining the party to dedicate their lives to the struggle for communism and the fundamental purpose of wholeheartedly serving the people. Despite the interests of the party and people, they plunge themselves into the money world and are unable to extricate themselves. Some regard themselves as commodities and hired laborers and speak plausibly of "work according to the pay." Some vie with others for more wages and bonuses and higher positions. Some party members who are imbued with individualism try by every means to make profits and eventually take the road of committing economic crime. Nevertheless, the quality of the majority of our party members is relatively good. They set strict demands on themselves according to the requirements for party members and strive to contribute more and serve the people. They never make presumptuous demands or seek ill-gotten gains. Even when people with the same qualifications and abilities as theirs are promoted, they remain the same as before, correctly exercise restraint, and never try to vie with others for advantages. Thus it can be seen that to prevent the "epidemic disease" of "putting money above everything else," it is absolutely necessary to strengthen party spirit and improve the political and ideological qualities of party members.

Now the whole party is exerting great efforts to correct party style. In my opinion, the four main unhealthy tendencies mention above should first be checked and eliminated.

The current problems of cultural and professional qualities and age structure of party members are also outstanding. According to the 1984 year-end statistics of the relevant central departments, party members with university, technical secondary school, and senior secondary school education comprised only one-fifth of the total number of members of the whole party; and those with junior secondary school and primary school education and those who are illiterate accounted for nearly four-fifths of the total! We must emphasize here that these figures are prepared after various units have recruited outstanding intellectuals to the party in recent years under the call of the CPC Central Committee.

Cultural quality is closely related to professional quality. A low cultural level will hinder the improvement of the professional level as well as the political and ideological qualities. Even those with a relatively high level of cultural and professional qualities have to face the problem of updating knowledge and technology. As to the worker and peasant party members who are working in the forefront of production, their educational level is much lower. The latter part of the statistical figures mainly indicate the situation of party members of this group. Owing to their low educational level, some rural party cadres in Hebei Province made fools of themselves while studying central Documents "No 1" promulgated in recent years. How did they acquire an understanding of the documents? The first document was "individual farming"! The second one was "15 years"! The third one was "the abolition of the system of state monopoly for purchase and marketing"! They remembered one word from each document. Actually, some even misunderstood the word they remembered. The party made the call of "scientific farming," but some party members were anxious and could not take the lead because of their low educational level. In the factories, mines, and enterprises of various cities, it is also common that worker party members cannot master new technologies or operate the new and modern equipment.

The aging of the ranks of party members, that is, the large number of old and middle-aged party members and limited number of young party members, is also a question not to be neglected. According to the 1984 year-end statistics compiled by the relevant central departments, party members under the age of 25 accounted for less than 4 percent of the total. Even if party members of the age group 26 to 30 are added, this only accounts for 14 percent of the total. Reports from Beijing and Hebei indicate that there are very few young party members working in the forefront of production in urban and rural areas. Furthermore, there are only a handful of party members from among students of some universities and colleges. As far as an individual is concerned, the aging of the ranks of party members accords with the law of nature. He should give his all till his heart stops beating. Regarding the whole party, if we fail to make the necessary readjustment and replenishment and add new blood to the party, it will be disadvantageous to ensuring the continuity of the party's cause and to maintaining and enhancing the party's combat effectiveness.

To sum up, the main aspect of the party ranks is good. But the defects that exist are serious. The quality of party members is uneven. There are a few advanced, a few backward, but the majority are middling. For this reason, the tasks to educate and improve the party ranks are arduous and pressing.

Can we say that the quality of the contingent of party members at present is inferior to that of the past? The quality of party members who have joined the party at different periods is stamped with the brand of the specific times. Party members of each period have their strong points as well as shortcomings. We should not treat them all as the same. Generally speaking, compared with the 1950's and 1960's, party members of the 1980's have increased their abilities in distinguishing genuine Marxism-Leninism and socialism from sham ones as a result of summing up positive and negative experience, undergoing the course of setting things to rights, and taking part in the practice of reform, opening up, and economic invigoration in recent years. They have enhanced their spirit in seeking truth from facts, independent thinking, and blazing new trails and have done away with superstitions and conventional ideas and acted less blindly. Although the cultural setup of the ranks as a whole is not yet ideal, the educational level of party members is indeed higher than the past. However, a considerable number of party members are not as good as those of the past in respect of party spirit, a sense of organizational discipline, the spirit of dedication and a sense of political responsibility to the party's cause, the style of plain living and hard work, the exemplary role of party members, and the awareness in ideological transformation. Imbued with individualism, some party members have reversed the order of the interests between the individual and party and have regarded it as an honor to vie with one another for fame and gains. These things were seldom seen within the party in the past. This is the fundamental reason for the difficulties in checking the unhealthy tendencies prevailing within the party.

How did the above-mentioned qualities and status quo of party members and their behavior in party style take shape? I am not going to dwell on the matter because the party rectification documents issued by the CPC Central Committee have already thoroughly accounted for it in terms of the nature of inner-party work. The reasons from society and history are also not to be neglected. China was reduced to a semicolonial and semifeudal society for more than a century following the feudal society which lasted for several thousands of years. But our socialist system was founded less than 40 years ago. The individualistic outlook on life characterized by "heaven will destroy men who won't look out for themselves" and seeking position and wealth in feudal society has become force of habit affecting many people. We have implemented the open policy in recent years. It is indeed a good thing. However, as Comrade Deng Xiaoping said, while we have opened the window for fresh air, flies and mosquitoes will also come in--the declining capitalist ideas of the Western world and decadent life style will corrupt our society. These things that exist in society will inevitably find expression within the party. Once they are accepted by those party members with poor qualities and weak party spirit, they will be expressed as unhealthy tendencies of every description within the party and may even cause some party members to degenerate! This shows that although party spirit and the quality of party members determine party style, the general mood of society can also affect party spirit and the quality of party members. Nevertheless, so long as we strengthen the work of enhancing party spirit and improving the quality of party members within the party so that the party members are immune from diseases, we will be able to resist and prevent the unhealthy tendencies arising from society and also effect a favorable turn in the general mood of society. With party style and the general mood of society acting on and helping each other and with the measures taken to sternly attack criminal activities, we will certainly be able to realize a fundamental turn for the better in party style and the general mood of society.

The task of correcting party style and effecting a favorable turn in party style will be a protracted and arduous one which cannot be accomplished overnight because the unhealthy tendencies within the ranks of our party have their complicated subjective and objective reasons and historical sources. In order to correct party style, we must be determined to fight a "protracted war" rather than fight and stop intermittently. Otherwise, it will encourage the vicious cycle of unhealthy tendencies. Only by making unremitting efforts can we thoroughly solve the problem.

How To Improve the Quality of Party Members in an All-Round Way

To improve the quality of party members in an all-round way, it is necessary to start with the following two things: First, party organizations must take care of party affairs and second, it is necessary to inspire all party comrades to enhance party spirit and willingness to improve the quality of party members, and moreover, it is also necessary to impose discipline as a supplement and strengthen supervision over party members.

1. On party organizations taking care of party affairs.

Comrade Hu Yaobang put it well when he said at a meeting attended by cadres of central organizations held on 1 January of this year: "For quite some time, there has been a force of habit: If something goes wrong, more often than not. blame is exclusively put on people at the lower levels instead of seeking the cause first from leading bodies. On many occasions, this is a reversal. It is necessary to reverse the confused truth and falsehood." In approaching problems from this point of view, it must be said that the long-standing failure to make a distinction between the functions of the party and those of the government and for party organizations to take care of party affairs, and especially the failure to impose sufficient and strict supervision over leading organs and cadres is closely related to the negative factors and unsound practices existing within the party as mentioned above. Since the 3d Plenary Session of the 11th CPC Central Committee, in particular, since the party rectification was conducted, there have been some gratifying changes in the above-mentioned state of affairs. However, while conducting investigations, I found that some localities took fairly good care of matters concerning leading bodies and cadres while party rectification was being carried out but they would not do so the moment party rectification was finished. It can thus be seen that to thoroughly get rid of the old habit of party organizations not taking care of party affairs and to really and unremittingly take care of party affairs, continued efforts are still needed.

To improve the quality of party members in an all-round way, in taking care of party affairs, what affairs should be handled in the main and how should party organizations handle them? As I see it, close attention should be paid to the following key links: Strengthening inner-party education work, vigorously promoting the building of primary party branches, ensuring the sound recruitment of new party members, and encouraging party organizations to make simultaneous efforts to take care of CYL affairs.

The first link is strengthening inner-party education work.

Attaching importance to inner-party education work has always been one of our party's fine traditions. Even in the difficult revolutionary war years of the past, our party always tried every possible means to run party schools and training courses in party education, launched movements to rectify incorrect work styles and party organizations, and called on and organized party members to correct defects while studying so as to constantly improve the quality of party members. Now conditions in carrying out inner-party education work are very good when compared with those in the past. So long as party leading organs at all levels attach importance to inner-party education work, it can surely be carried out more effectively.

To meet the needs of the situation of reform, opening up to the outside world, and economic invigoration, prominence should be given to the following four areas in conducting education among party members in line with the present conditions of party members in terms of quality. First, it is necessary to conduct education in the party's fundamental purpose and to raise ideological consciousness so as to ensure party members serve the people wholeheartedly. Second, it is necessary to conduct education in communist ideals and the present party principles and policies, to combine lofty ideals with the objectives of current endeavors, and to raise the willingness of party members to adhere to reform and implement the party principles and policies. Third, it is necessary to conduct education in observing discipline and abiding by the law, to wipe out ignorance of law within the party, and to strengthen the awareness of party members on discipline and legality. Fourth, it is necessary to conduct education in culture, science, and professional skills and to strive to raise the cultural and professional levels of party members.

Inner-party education should be conducted promptly, systematically, and regularly and with a clear objective in mind and stress on practical results. First, it should be conducted with a clear objective in mind, suiting the remedy to the case. For example, some localities selectively conduct education among new party members, in particular, young party members, in elementary knowledge about the party and the party's fine traditions and in work styles in the light of the ideological characteristics and problems cropping up in the work of party members of all types in the new situation, so that they can foster a correct world outlook and correct outlook on life; education among middle-aged party members, in particular, middle-aged party cadres and the young party cadres who have been promoted to leading bodies, in building a party serving the interests of the vast majority and being in power in the interests of the people so that they can use their power properly and have a correct attitude toward money; and conduct education among old party members, in particular, retired party cadres, in the current situation, the party policies, and in fostering the idea of encouraging retired cadres not to "retire" ideologically so that they can have a clear picture of the situation, support the reforms, observe discipline and abide by the law, and maintain their political integrity in their later years. Compared with the practice in which inner-party education is conducted indiscriminately among all party members, this way of doing things will produce much better results. Second, inner-party education should be conducted promptly. In other words, our leaders are required to go deep into the realities of life to promptly discover suggestions of ideological problems among party members and tendentious problems in a certain period of time, to conduct education without delay, and to try their best to solve problems in the embryonic stage. They should not be indifferent to problems at ordinary times and wait until problems pile up seriously before trying to completely solve them using "a highly-effective remedy." Third, inner-party education should be conducted scientifically. To conduct a more systematic education among party members in basic Marxist theory and elementary knowledge about the party and knowledge about related sciences and technology, it is necessary to discard the previous practice in which no plan was worked out in ordinary times and efforts were only made at the last moment, to concentrate our efforts on transforming the world outlook of party members and raising their theoretical level and deepening their understanding of policies, and to conduct inner-party education in depth, proceeding from the easy to the difficult and in an orderly way and step by step. Fourth, inner-party education should be conducted regularly. That is to say, inner-party education work should be regarded as a fundamental task for a long time to come. Unremitting and regular efforts should be made to carry out the work both during and after the party rectification, with both long-term and short-term plans. As revealed by the experiences created by some localities, the conducting of education among party members should not be confined to the form of giving a centralized training in rotation to party members group after group at different times and instead, it should be conducted through various channels and forms.

By improving the quality of party members, we also mean improving the quality of party cadres. As everybody knows, cadres are a decisive factor. Once the political line is determined, what should cadres rely on in playing a decisive role? They should mainly rely on party spirit and their own quality. The quality of cadres is the fundamental condition determining whether they can become a decisive factor in their work. Therefore, it is necessary to put the improvement of the quality of cadres high on the agenda of party organizations taking care of party affairs.

The second link is vigorously promoting the building of primary party branches.

As the primary organization of the party, the party branch is a school where party members study Marxism-Leninism-Mao Zedong Thought and the party line, principles, and policies; a place where all party members hold regular organizational activities, conduct criticism and self-criticism, strengthen their party spirit, and improve their quality. Particularly important, the party branch is always in the front line of revolution and construction and like a brigade in the army which fights directly in the forefront, it is "the militant bastion of the party in the basic units of society." A powerful primary party branch provides a solid foundation for the leadership of the party and a reliable guarantee for its cause. Therefore, strengthening the building of primary party branches must always be regarded as an important topic in party building. We must not ignore and slacken our efforts in this respect at any time.

What is the function of the party branch as a militant bastion? In accordance with the requirements set by the party Constitution for primary party organizations, the party branch should strengthen education and supervision over party members, wage struggles against the erroneous ideas and deeds cropping up within the party, and ensure the implementation of the party line, principles, and policies and the completion of the various tasks of the party, and at the same time, it should also teach party members and the people to heighten their political vigilance and to wage struggles against the criminal activities carried out by counterrevolutionaries and other saboteurs and against various ugly phenomena and unhealthy practices in society, prevent various nonproletarian ideas from making inroads on and corroding the party and counterrevolutionaries and opportunists from sneaking into the party so as to safeguard the purity of party organizations and maintain the fighting power of the party.

In what way should a primary party branch be built so that it can play the role of militant bastion? While conducting investigations in Beijing and Hebei Province, I came into contact with party branches of three different types--the good, the intermediate, and the poor. By comparison, I got a deep impression: The key to whether or not a party branch can play the role of a militant bastion lies in whether or not there is a good branch committee which is up to the requirements set by the party Constitution, in particular, a good branch secretary. This is in compliance with the two Chinese sayings: "The valiant general has no weak soldiers under his command" and "a soldier can only play an individual role, be he as brave as a brown bear, while a general of tremendous bravery is capable of making all his men as brave as brown bears."

My investigation materials reveal that the members of an advanced party branch committee which really plays the role of a militant bastion have the following 10 distinctive characteristics: 1) Members of the party branch committee are relatively strong in party spirit and sound in quality and can review some important party documents, party stipulations and regulations, and their own application forms for party membership and pledges when joining the party and work together as one man in accordance with party principles. 2) Members of the party branch committee, especially its secretary who has a good democratic work style, can take the lead in carrying out criticism and self-criticism and being upright and honest, they can set an example in all aspects for other party members. 3) The party branch has a relatively sound work system and can persistently carry out the practice of "three meetings and one lecture" (general membership meeting of the party branch, meeting of the branch committee, and meeting of the party group as well as the party lecture) throughout the year instead of regarding it as a mere formality. 4) The party branch can pay close attention to the supervision and education of party members, has the courage to supervise party members and knows how to do so, can enforce discipline unambiguously and mete out due rewards and punishments without delay and consequently, healthy trends prevail in the party. At the same time, it can lead party members in waging struggles against the bad habits, unhealthy practices, and evildoers and evil deeds in society. 5) The party branch has correct guidelines on all fields of work and can proceed from actual conditions in carrying out production and construction and in doing work in all fields, and act according to party policies rather than issuing confused orders, acting rashly, feigning compliance to the higher authorities, and going its own way. 6) Not conservative, the party branch is full of vigor and highly receptive to new things and quite capable of breaking new ground in its work. It can frequently compare its own work with that of party branches in and outside the locality and is good at overcoming its weaknesses by acquiring others' strong points and modestly learning from others' experiences both positive and negative. 7) By refraining from taking on everything concerning administration, the party branch, in particular, its secretary, can establish quite normal relations with government organs. The party and government organs share out the work and cooperate with each other, each supporting the other. Consequently, production, work in all fields, and the building of material and spiritual civilization have progressed considerably. 8) The party branch can carry out the work of recruiting new party members in a planned and well-prepared way and in line with the requirements set by the party Constitution, constantly adding fresh blood to the party. 9) The party branch pays close attention to strengthening leadership over the trade union, the CYL, and the women's federation, and other mass organizations and is good at helping and cooperating with them in pushing the work forward. 10) The party branch institutes and carries out a "contract responsibility system" under which the work is shared out with branch committee members being responsible for maintaining links with other party members and party members responsible for maintaining links with the masses. It also encourages party members to appraise the branch committee and the masses to appraise party members through discussions at regular intervals. As a result, the relationship between party members is intimate and that between the party and the masses is quite close; the party branch and party members have fairly high prestige among the masses and can lead the masses and play the role as a vital new force in production, construction, and work in all fields.

It is precisely in these respects that some primary party branches which were classified as "intermediate" or "not distinctively displaying a role as militant bastion" in the survey lagged behind considerably. Some of them were formerly qualified to become advanced party branches but they failed to make earnest efforts to do so. Members of some party branch committees, content to stay middling, did not dare to do what they ought to do, and did not carry out well the work they ought to. Having failed to match their deeds with their words and to set an example with their own conduct, some leaders lost their due prestige and authority among the masses. Others who had a poor understanding of policies and limited ability could not do ideological and political work. They also lacked the ability to organize and to lead. Still others who were used to the practice in which no distinction was made between the functions of the party and those of the government would always try to tackle all problems, if confronted, at once regardless of their relative importance. The result was "although they have worked others' private plots, they left the farmland they contracted uncultivated." There is even less need to discuss the tiny number of paralyzed, semiparalyzed, and problem-ridden primary party branches.

In the last few years, apart from stepping up efforts to reorganize primary leading bodies in accordance with the requirements of "four transformations" of cadres, leading party organizations in quite a few localities have trained in rotation party branch secretaries and branch committee members in a planned way and group after group at different times, frequently held meetings to exchange experience in the work of party branches, and chosen through public appraisal and commended advanced party branches and outstanding party members within certain limits. All these activities have played a very good role in strengthening the building of primary party branches.

I am confident that so long as we really put the building of primary party branches on the agenda of party organizations at various levels, conscientiously sum up and spread the good experiences gained in all localities, we can surely create large groups of first-class party branches which are up to the requirements set by the party Constitution. A first-class party branch can perform first-class work, achieve first-class successes, attain first-class results, and make first-class contributions in various fields of endeavor.

The third link is ensuring the sound recruitment of new party members.

It is necessary to recruit new party members in a planned, purposeful, active, and prudent way. The idea of "smaller quantity, better quality" should be given prominence. This is one task of the groundwork of improving the quality of party members in an all-round way. Due to reasons already known to all, in the past there were abnormalities in the work of recruiting new party members. The current serious impurities in ideology, work style, and organization existing in the ranks of party members are partly left over from the past practice. We must draw a lesson from it and apart from carrying out the party rectification work in real earnest, in our future work of recruiting new party members, we must stick to the principle of being active and prudent, strictly ensure the quality of new party members, and rigorously execute procedures for party membership so as to prevent those who are not qualified to be a party member from sneaking into the party while carrying out the party rectification. In our work of recruiting new party members, we must stress both macroscopic control and quality. While giving priority to admitting outstanding intellectuals into the party, we must recruit new party members from among the advanced youth and other advanced elements working in the front line of production. We must pay earnest attention to both the training of people keen on joining the party and the education of newly recruited party members. If we properly handle the relationship between quality and quantity, between key and ordinary prospective party members, and between joining the party ideologically and organizationally and rationally readjust the composition of the ranks of party members, we are well positioned to lay a sound foundation for improving the quality of party members in an all-round way.

The fourth link is encouraging party organizations to make simultaneous efforts to take care of CYL affairs.

In conducting investigations in Beijing and Hebei Province, almost none of the forum participants or individual comrades who briefed me on their situations touched on the CYL work. When asked of the work, they said that they either seldom took up matters concerning the work or were not too clear about the work. In other words, quite a few primary CYL organizations were soft, weak, and lax and the quality of CYL members was poor. They failed to play a role as the party's assistant. It can thus be seen that like the phenomenon in which party organizations do not take care of party affairs, that of party organizations not taking care of CYL affairs can be found almost everywhere.

The CYL is a mass organization of advanced young people under the leadership of the CPC; it is a school where large numbers of young people will learn about communism through practice; and it is the party's assistant and reserve force. Now the CYL has more than 50 million members throughout the country, much more than the country's number of party members. What a rich source of strength it is! If the CYL work is done well, the party's capable assistant will gain inexhaustible strength. If the quality of CYL members is raised and large numbers of good-quality members of the reserve force--outstanding CYL members--are continuously admitted into the party, the improvement of the quality of party members will be more widely assured. In my opinion, not only should CYL organizations at various levels take good care of CYL affairs, but party organizations at all levels should also strengthen leadership over CYL organizations and effectively supervise the CYL work while taking good care of their own affairs. In the party committee, someone must be put in charge of the CYL work. He should take up the work regularly and persistently. Party committees at various levels are encouraged to attach importance to this matter and to study a series of feasible methods and rules and regulations and then put them into effect.

2. On stimulating all party comrades to make further efforts to strengthen party spirit, to enhance their awareness of party members' quality, and to bring the exemplary vanguard role of party members into play.

In its chapter and relevant articles concerning "membership," the party Constitution clearly stipulates that the communists must be "vanguard fighters imbued with communist consciousness" and "play an exemplary vanguard role in production and other work, study and social activities." The CPC Central Committee has recently repeatedly stressed that the communists must set an example for the masses in various aspects of endeavor. This is in compliance with the above demands. It also serves as one of the important indicators for judging the quality of party members.

"Communists must play an exemplary role." This is easier said than done. Many party members are as good as their words. They can really practice or basically practice what they say. They have thus added luster to the party's image. However, there are also a considerable number of party members who are not so serious about fitting their deeds to their words. More often than not, they "issue statements without practicing them" or concentrate more frequently on flourishes while doing work but do less solid work. Some party members have even acted in a diametrically opposite way, thus bringing shame on the party. To judge the soundness of a party member's party spirit and his political and ideological quality, it is necessary to see if and how he plays an exemplary vanguard role. Then this judgment will be impartial. Playing an exemplary vanguard role is the very least one expects of a qualified party member. Otherwise, what is the difference between party members and nonparty members?!

What is the exemplary vanguard role of party members? To sum up briefly, party members should take the lead in, and strive to do well what is beneficial to the party and the people and they should take the lead in resisting, and have the courage to struggle against what is harmful to the party and the people. On no account must they do such harmful things. Party members must be the first to respond to the party's call and strive to do well what the party calls or demands the masses of people to do. They must be the first to refrain from doing what the party calls or demands the masses of people not to do and educate and supervise others not to do such things. In either doing or not doing something, party members must think and act in one and the same way, fit their deeds to their words, and always set an example with their own conduct. We can count numerous specific manifestations of the exemplary vanguard role. For example, people often say "be the first to bear hardships and the last to enjoy comforts," "be the first to forge ahead and the last to retreat," "take the difficulties on oneself and make things easy for others," and "take the interests of the whole into account and sacrifice personal interests." These oft-quoted notions are naturally the requirements for party members. Again for example, in his article entitled "The Role of the CPC in the National War," Comrade Mao Zedong said: "Communists...should set an example in fighting bravely, carrying out orders, observing discipline, doing political work, and fostering internal unity and solidarity," and they "should set an example in being practical as well as far-sighted" and "should set an example in study." All these statements by Comrade Mao Zedong are still applicable. At present, we must particularly stress that, to build socialism with Chinese characteristics, communists should set an example in adhering to the four basic principles, faithfully implementing the party principles and policies, boldly breaking new ground in their work, keeping the whole situation in mind, building the country through hard work and thrift, and in working hard and overcoming difficulties in the new situation of reform, opening up, and economic invigoration. In day-to-day work and labor, communists should strive to become advanced workers and model workers with their outstanding practical achievements. In the building of the socialist spiritual civilization, communists should strive to set an example in the activities of "five stresses, four beauties, and three loves," in striving to become people with lofty ideals, moral integrity, education, and a sense of discipline, and in establishing "a five-good family" and boldly resist and oppose all kinds of unhealthy practices. When mishaps and serious disasters occur, communists should take the lead in rushing to deal with the mishaps and to help the people tide over the disasters. They should, regardless of their safety, rescue the lives and property of the state and the people, displaying the spirit of defying all difficulties in dedication to the motherland.

Whether or not a party member can really play this exemplary vanguard role chiefly depends on whether or not he can "look upon the interests of the revolution as his very life and subordinate personal interests to the interests of the revolution" and whether or not he is "more concerned about the interests of the party and the masses than personal interests and more concerned about others than himself." This embodies in the most concentrated way the party spirit and political and ideological quality indispensable to a communist. The more a party member has these morals, the better he can play an exemplary vanguard role.

To help the vast numbers of party members constantly strengthen party spirit, improve their quality, and play an exemplary vanguard role in various fields of endeavor, apart from the efforts exerted by party organizations to strengthen education among party members, it is also necessary to encourage every party member to step up self-education, self-remolding, self-cultivation, and self-study while building the two civilizations. From my practical experience over the years, I am confident that so long as the following methods are perseveringly applied, they are bound to produce the desired results:

First, "measuring oneself by the standards already set." The party Constitution, the "Rules of Conduct," and the state Constitution and laws as well as the CPC Central Committee's important policy documents, and major policy decisions and regulations are the standards and grounds for party members' actions and the yardstick for judging the right and wrong of their actions. It is a common failing now for people to go through the above-mentioned constitutions, documents, and regulations in a perfunctory way which fades away from people's memories with the passage of time and consequently, they do not know what to follow in their actions and even remain ignorant after making mistakes. By encouraging the practice of "measuring oneself by the standards already set," we mean encouraging our comrades always to review the above-mentioned documents and regulations and use them to promptly "correct" the "errors" in their thought and statements and actions. This practice of regularly reviewing relevant documents and regulations in the light of actual conditions will help us constantly update our knowledge and deepen our understanding and raise our political and ideological level.

Second, "exercising caution about one's personal life." By encouraging "exercising caution about one's personal life," we mean encouraging our comrades to strive to think and act in one and the same way, to match their deeds to their words, to refrain from double dealing, and to behave themselves in one and the same way whether under supervision or not. They should always bear firmly in mind the duties that party members must fulfill and pay attention to making a demarcation line between proletarian and non-proletarian ideas.

Third, "self-examination" or self-criticism and self-questioning. By encouraging "self-examination," we mean that all party members should often "examine their conscience in the stillness of night," compare themselves with others in terms of awareness, spirit, work style, and contributions using the party principles and requirements as the yardstick, and examine and weigh what they have said and done as well as their successes and failures in a day. This is also a good method of being strict with oneself.

Fourth, "self-study." In the new situation of reform, opening up, and economic invigoration, our comrades must conscientiously strengthen their studies in theory, policy, and cultural, scientific, and technological knowledge. However, those who can receive regular training in party schools and institutions of higher education are, after all, few in number. Therefore, it is necessary to vigorously encourage self-study and particularly necessary to encourage young party members to strive to become competent people through self-study.

3. On enforcing party discipline.

Our party discipline is iron discipline established on the basis of the high level of willingness of party members. Strengthening the sense of discipline is one of the tasks of improving the quality of party members, and enforcing party discipline is in itself an effective education in discipline for the vast numbers of party members. It is true that priority should be given to education in improving the quality of party members. However, it must be supplemented and guaranteed with discipline. Otherwise, it will be difficult to achieve the desired results.

With regard to the party rectification, the CPC Central Committee has stated that "it is necessary to strictly rectify party organizations" and "to strengthen discipline." At the beginning of this year, Comrade Hu Yaobang again stressed: "It is imperative to enforce discipline." As I see it, if we act this way, the improvement of party members' quality, the rectification of party style, and a fundamental turn for the better in party style will be more secure. In view of the problems cropping up in the course of enforcing discipline in the previous period, as a veteran party member, I would like to make some suggestions as follows:

(1) The whole party should strictly observe discipline and ensure that discipline must be strictly enforced and violations of discipline must be dealt with. On the question of enforcing discipline, we must on no account regard any violations of discipline as "special" or "an exception" and indiscriminately stress "preferential treatment" and "flexibility," because this will undermine the inviolability of iron discipline.

(2) The key to the implementation of the principle stressing that "everybody is equal before discipline" lies in having the courage to "deal with tough problems" in enforcing discipline. Compared with ordinary party members and cadres, what party members who hold higher positions, have greater seniority and power, and enjoy a better reputation say and do is much more influential. Therefore, it is only natural that the party has set higher and stricter demands on them in terms of party spirit and quality. No one shall try to become a "special party member" unrestricted by party discipline by using his power and position or relying on his past contributions and seniority.

(3) Communists who violate state laws should be punished according to law. As Comrade Dong Biwu advocated during his lifetime: "Those who regard themselves as something special and ignore party discipline and state laws and have violated the law must be held legally responsible without exception, no matter how high their positions and how great their contributions." We must not replace state laws with party discipline and handle their violations of the law as an inner-party matter.

4. On strengthening supervision.

The awareness of party members is rather uneven within our party. There are not many comrades who are highly aware and who are always strict with themselves. Even those with a high level of awareness who are strict with themselves may go astray without supervision. Thus, supervision is all the more necessary for those who lack awareness and who are not strict with themselves. Therefore, supervision from the top to the bottom and at the same levels as well as acceptance by party members are also the essential conditions for improving the quality of party members.

Generally speaking, our party has always attached importance to strengthening the supervisory role of the organization and masses. However, a number of comrades within the party are afraid of exercising supervision over others and are also unwilling to accept supervision by others, to say nothing of placing themselves amid the masses and accepting supervision from the top to the bottom and at the same level. As a result, it becomes difficult to conduct criticism and self-criticism. All comrades are getting along well with each other outwardly and no one is willing to speak the truth. Regarding such circumstances, Comrade Hu Yaobang emphatically pointed out at a meeting of cadres of the central organs on 9 January 1986: "We must strengthen supervision from top and below in all central organs." He continued: "The central party organizations, particularly the party committees and organizations of various departments, should perfect inner-party life, overcome their weaknesses and incompetence, carry out normal criticism and self-criticism, listen attentively to the voice of the masses, and accept supervision by the masses including the lower level organs." He also stressed: "All comrades within and outside the party who are loyal and decent have the right to report accurately to the CPC Central Committee the dereliction of duty and illegal practices of the party organization at any level, including the responsible persons of the central authorities." Well said! We should encourage all party members to place themselves under the supervision of the organization and others, and exercise mutual supervision. Leading cadres of the party should especially encourage the comrades around them to exercise supervision over them. Prior to the liberation, our leading cadres and working personnel kept close to the masses and their words and deeds were obvious to each other. Naturally, this gave full play to the supervisory role of the masses. Following the founding of the PRC, our party became the party in power. Consequently, our leading cadres had fewer opportunities to make direct contacts with the broad masses so the supervisory role of the masses was not brought into full play. Leading cadres should cordially encourage their working personnel, secretaries in particular, to exercise supervision over them unreservedly without the slightest hesitancy. The working personnel, secretaries in particular, who are used to flattery and trimming, which give rise to mistakes and unhealthy tendencies, should resolutely be transferred. In the people's social life, relationships of family members are more intimate than any other relationships. We should encourage mutual supervision even among family members.

The CPC is a thoroughly tempered party that can tide over any difficulty and danger and defeat any enemy. Can we not overcome the defect of impure party spirit and poor qualities of certain party members and the unhealthy tendencies within our party? We are now continuing the party rectification and the CPC Central Committee is greatly determined to correct party style! With the passage of time, we will certainly be able to enhance the party spirit and improve the qualities of party members, and check the unhealthy tendencies. We must have absolute confidence in this regard.

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ON CONTROLLING THE EXPANSION OF CONSUMPTION DEMAND

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[Article by Zuo Chuntai [1563 2504 0669] and Xiao Jie [5135 2212]]

[Text] Maintaining a basic equilibrium between aggregate social demand and aggregate social supply is a basic condition for steady economic growth and the smooth implementation of reform. Aggregate social demand includes both accumulation demand and consumption demand. With the development of social production and the growth of national income, accumulation demand and consumption demand should increase year after year, but not faster than some objective limits. Past experience has engendered in people a deep awareness of the harmful effects of the expansion of capital construction investment, which is part of accumulation demand, and people have strived to check this expansion. However, inadequate attention has been paid to the existing and possible harmful effects of the expansion of consumption demand. Therefore, it is necessary to discuss controlling the expansion of consumption demand.

The Past Situation of Rapid Accumulation and Low Consumption Must Not Recur

A remarkable fact in China's economic development during the past 30 years or so is that over many years, national income distribution was generally marked by a high accumulation rate and a low consumption level. The excessive growth of accumulation funds affected both the normal growth of consumption and the growth of national income, so that more haste led to less speed.

During the First 5-Year Plan period, the average accumulation rate was 24.2 percent, average annual national income growth was 8.9 percent, and the average annual growth in the national level of residents' consumption was 4.2 percent.

During the Second 5-Year Plan period, the average accumulation rate was 30.8 percent, national income decreased at an average annual rate of 3.1 percent and the average annual fall in the national level of residents' consumption was 3.3 percent. During the 3 years of the Great Leap Forward, the accumulation rate soared to 39.3 percent, national income decreased at an average annual rate of 1.9 percent, and the level of consumption fell at an average annual rate of 2.9 percent.

During the economic readjustment period of 1963-1965, the accumulation rate dropped to 22.7 percent, national income grew at an average annual rate of 14.7 percent, and the average annual rise in the national level of residents' consumption was 8.6 percent.

During the "Great Cultural Revolution" years of 1966-1976, when China was carrying out the Third and Fourth 5-Year Plans, the average accumulation rate was 30.3 percent, the average annual growth in national income was 6.0 percent, and the average annual rise in the national level of residents' consumption was 2.1 percent. Between 1970 and 1976, the average accumulation rate was 32.7 percent, the annual national income growth was 6.6 percent, and the average annual rise in the national level of residents' consumption was 2.3 percent.

After the smashing of the "gang of four," the grave consequences of the decade-long internal disorder were underestimated, so that the accumulation rate rose in 1978 from the previous year's level of 32.3 percent to 36.5 percent. In 1979, with the start of our national economic readjustment, accumulation decreased, but because we undertook several good projects, a large financial deficit occurred and we could hardly make means and ends meet. Just as "3-feet deep ice on the waters indicates a prolonged spell of cold weather," so did the huge deficits of 1979 reveal that over many previous years the scale of construction outstripped available national resources and imbalance occurred in major proportions, such as the proportion of accumulation to consumption. Those deficits also indicated that the problem of the people's living standard which had been building up over many previous years began to be solved.

If accumulation does not increase from year to year, society cannot develop and advance. Engels said that accumulation is "society's most important progressive function." ("Selected Works of Marx and Engels," Vol 3, p 350) However, excessive accumulation will push consumption below the minimum level which should be ensured, causing undesirable results. The basic aim of socialist production is to continuously satisfy the material and cultural needs of the masses of people. Stressing accumulation at the expense of consumption goes against the aim of socialist production and the requirements of the basic economic law of socialism. Of course, under socialist conditions, accumulation is also geared to the people's long-term consumption needs. However, due attention must be paid to both economic construction and the people's living standard, to both long-term interests and immediate interests. Since the 3d Plenary Session of the 11th CPC Central Committee, the past error of maintaining a high accumulation rate and a low level of consumption has been corrected. Now "both bread and construction are necessary" is the basic principle governing the correct handling of economic construction and the people's living standard. The phenomenon of high accumulation rate and low consumption level should not recur.

A Growth of Consumption Demand Beyond Certain Objective Limits Cannot Be Sustained

Since the 3d Plenary Session of the 11th CPC Central Committee, the guiding principle of "readjusting, restructuring, consolidating, and improving" has been implemented, accumulation has been curtailed, the state purchase prices of agricultural products have been raised, workers' wages have been readjusted, employment of the labor force has been arranged for, the bonus system has been instituted, and construction of houses for workers has been increased. Consequently, the people's living standard has considerably improved. Accumulation fell from 36.5 percent in 1978 to 29 percent in 1982. Between 1978 and 1982, the average peasant's net income doubled, the average worker's wages rose 30 percent, and with the increase in employment, total wages grew 53.1 percent. Moreover, the total value of agricultural output grew 33.4 percent, the total value of industrial output grew 32.2 percent, and the overall labor productivity of industrial enterprises rose 9 percent. Thus, the income growth for both peasants and workers surpassed the development of industrial and agricultural production and the improvement of labor productivity. This was actually a special situation arising from some special circumstances and could not continue for long. However, without fully understanding this point, some comrades, in view of the past sufferings caused by high accumulation rates and low consumption levels, have advocated a high consumption level, thinking this could stimulate the rapid development of production. Since 1983, particularly since 1984, for various reasons consumption demand did not contract in response to the expansion of accumulation demand, but increased overly rapidly, creating an expansionary situation. This was mainly reflected in the following fact: On top of the marked increase in urban and rural residents' income over the previous several years, in 1984 and 1985, the actual income of urban and rural residents in China rose roughly at an average annual rate of 17 percent, while national income attained a mere 11 percent growth, social labor productivity grew at an average rate of 8 percent, and the total value of agricultural and light industrial output, which corresponds to consumption demand, grew at an average annual rate of 12 percent. The rate of growth in social purchasing power to the rate of growth of supply of commodities was 1.6 to 1; that is, for every 1.6 percent growth in purchasing power, the supply of commodities grew only 1 percent. The marked imbalance between market demand and supply has been worsening.

Some comrades may think that the current main problem is an expansion of accumulation demand and an excessive scale of capital construction. In 1985, the accumulation rate was above 32 percent, exceeding the generally acknowledged appropriate upper limit of 30 percent, while the proportion of consumption fell to 68 percent. Therefore, generally speaking, consumption demand cannot be said to have expanded. This argument is not without reason, but is incomplete. In examining whether the proportion of accumulation to consumption in national income is rational, one must not only study changes in the proportion itself, but must study whether accumulation and consumption grow faster than national income and whether there is overdistribution of national income. If accumulation and consumption demand grow faster than national income, then the proportion of accumulation to consumption is itself a distorted proportion incapable of reflecting objective reality.

How can overdistribution of national income occur? Overdistribution of national income in its real form cannot occur. However, under the condition of existence of commodity monetary relations, the distribution of national income in its real form and the distribution in value form constitute a process of movement involving some separation. Distribution in value form comes first, and then, through exchange, distribution in real form follows. National income in value form is distributed in monetary form. With paper money used in circulation, when the total quantity of money used in national income distribution exceeds the total value of national income calculated according to some definite prices, there will appear an outstanding amount of distribution which neither has value as its basis nor corresponds to some real things. Broadly speaking, this outstanding amount can appear as: 1) an outstanding amount in the monetary expenditure which represents accumulation demand; this causes accumulation demand to exceed the supply of the means of production; 2) an outstanding amount in the monetary expenditure that represents consumption demand; this causes consumption demand to exceed the supply of the means of subsistence; or 3) an outstanding amount in both the monetary expenditure representing accumulation demand and that representing consumption demand; this causes both the means of production and the means of livelihood to be in short supply, resulting in market shortages. Currently, the third situation is occurring in China.

The Harmful Effects of an Expansion of Consumption Demand

An expansion of consumption demand will have various adverse effects on the healthy development of our national economy and the smooth progress of the reform of our system, as explained below:

First, an expansion in consumption demand will cause rises in market prices. For one thing, with workers' wages rising faster than labor productivity, the costs of enterprises' products will rise owing to wage increases. In order to maintain their profits, the enterprises will use certain methods permitted by state policy, for example, raising the ex-factory prices of commodities through price negotiations, and so on. For another thing, with consumption demand backed by purchasing power exceeding the supply of means of subsistence, with demand exceeding supply, market retail prices will inevitably be pushed up. In particular, in times of a serious expansion of consumption demand, prices will rise markedly faster. The indiscriminate raising of prices, which is not permitted by state policy, still continues to occur at times, precisely because with an expansion of demand, people continue to buy at raised prices.

Second, an expansion of consumption demand hinders the improvement of product quality. An expansion of consumption demand makes enterprises one-sidedly care about the quantity of products at the expense of improving product quality. Some unmarketable, backward products may even once again pour into the market. The practices of giving consumers less than the stated quantities of goods purchased and lowering the quality of service will develop again. An expansion of accumulation demand will cause an expansion of consumption demand, which will in turn stimulate the expansion of investment in fixed assets. Under the pressure of consumption demand expansion, many categories of equipment which should be eliminated and many categories of backward technology will continue to be used. Enterprises will not hesitate to use high cost methods that yield poor results to maintain an overly rapid rate of output growth, resulting in a situation where an expansion of consumption and an expansion of investment occur together and affect each other. Moreover, this increases the difficulties confronting the rational readjustment of the industrial structure and the product structure.

Third, an expansion in consumption demand affects the equilibrium in foreign exchange payments and receipts. With China opened to the outside world, the opportunities for adjustment of demand and supply on the domestic market are widened. However, if owing to the pressure of consumption demand expansion the state is forced to use large sums of foreign exchange to directly import consumer goods from abroad, those funds urgently needed for purchasing advanced technology and equipment for the four modernizations can only be made available by increasing our external debts. Importing consumer goods cannot help increase production capability or help improve technology, and hence cannot increase our ability to export goods and earn foreign exchange. Moreover, price rises due to consumption demand expansion will raise the costs of exports, affect the volume of exports, and affect our ability to convert goods into foreign exchange. This will surely further affect the equilibrium in foreign exchange payments and receipts.

Fourth, an expansion of consumption demand will greatly boost the outstanding balance of purchasing power. Increases in residents' saving deposits reflect continual improvements in the people's living standard and result from the diligence and thriftiness of the masses of people. If purchasing power grows too fast and the outstanding purchasing power of those who cannot buy commodities with their money is too great, there will be undesirable consequences. By the end of 1985, the total outstanding purchasing power, having accumulated over many years, more than tripled the figure for 1980, and was equivalent to approximately 60 percent of the total retail volume of social commodities for the year. This huge potential purchasing power not only increases the pressure on market supply, but also makes it difficult for us to curb price rises.

Fifth, what is more important, an expansion in consumption demand causes a lack of reserve strength for sustained economic development in the future. The current period is one of pioneering work in China's modernization, and accumulation funds are needed for many categories of construction. If, in this stage of economic development, advances in daily life consumption are too rapid, then certainly accumulation of funds will decrease, production costs will rise, and our products will have poorer competitive ability, so that our economic development will lack stamina. This will not only undermine current construction, but will also adversely affect the future and our future generations.

Resolutely Control the Overly Rapid Growth of Consumption Demand

In order to effectively control the expansion of consumption demand, we must now solve the following problems:

First, we must have a unified understanding of the meaning of proceeding from China's realities. China is a developing country with a population of 1 billion and with 800 million peasants. The first figure indicates that ours is a large country, and the second that China is economically relatively backward. Since the 3d Plenary Session of the 11th CPC Central Committee, our country has achieved enormous success in reform, particularly rural reform. The face of the countryside has drastically changed. However, at present the problem of food and clothing for several dozen million people in our countryside still remains to be solved. Marx and Engels repeatedly said that distribution can only be distribution of the fruits of production. For many years to come, our production technology and labor productivity will continue to be poor. Under this condition, how can we advocate and go after a high level of consumption? China is now in the stage of laying its foundation and doing arduous pioneering work. When the magnificent goal of quadrupling the annual total value of industrial and agricultural output, put forth at the 12th CPC Congress, is attained by the year 2000, China will merely attain a comparatively well-off level. It must work hard for another 30 to 50 years before it can approach the advanced nations' standard. That is, building China into a modern nation that attains advanced world standards requires several generations to work arduously for several decades. There is an ancient saying: "People plant trees so that later generations can enjoy the cool of the trees' shade." How can we, people of this generation, give up the fine tradition of arduous struggle and reliance on hard work and thrift to build our country, and care only about immediate consumption at the expense of laying a firm foundation for our posterity's undertakings? Our present economic reform aims to remove the obstacles to the development of the productive forces and to make China prosperous and strong and the people well-off and happy. However, it is both impossible and inappropriate to demand that every reform measure should instantly bring conspicuous material benefits to every member of society. In fact, some reform measures may even require some people to temporarily sacrifice some immediate interests. Even material benefits which one should acquire must be acquired subject to the state's economic policies. During the war of resistance against Japan, in accordance with the CPC's united front policy of becoming united to resist Japan, the vast numbers of peasants in our bases did not expropriate landlords' property but instead reduced rent and interest. The peasants' economic benefit only consisted in enjoying reduced rent and interest and shouldering a reasonable burden. During the war of liberation, with the implementation of our land reform, the peasants' demand for having land was satisfied, but they had to abide by two restrictive policies: First, the middle class peasants' interests must not be infringed on; and second, industry and commerce must not be disrupted. In consideration of their long-term interests, the vast number of peasants strictly complied with our party's policies, supplied manpower, shed blood and sacrificed their lives, and made enormous contributions to winning the war and founding the PRC. In this time of peaceful construction, how can we care only about the present at the expense of the long-term future and the individual at the expense of the state? How can we refrain from implementing the state's guiding line and policies, violate laws and discipline, and indiscriminately distribute bonuses and material awards? If these problems of understanding are solved, the tune of advocating increased consumption is no longer sung, and the erroneous practice of violating policies and arbitrarily expanding consumption is stopped, then success in controlling the expansion of consumption demand can be reliably ensured.

Second, we must persist in achieving equilibrium in national income distribution and put an end to overdistributing national income. This is the key to controlling the expansion of consumption demand. Through primary distribution and redistribution, national income becomes various categories of income for individual residents and various units. These categories of income create the consumption demand backed by the purchasing power of individual residents and collective units and the accumulation demand related to the increase of fixed and liquid assets. Consumption demand and accumulation demand are finally realized in consumption funds and accumulation funds. Thus, consumption demand and accumulation demand basically arise from the primary distribution and redistribution of national income. If the overdistribution of national income in monetary form, which is like a leak, is stopped, and if equilibrium is achieved in national income distribution, then the expansion of consumption demand can be stopped and equilibrium between aggregate social demand and aggregate social supply can be maintained.

Reform is the focus of the Seventh 5-Year Plan. Our economic system reform is a grand systems engineering project and a new thing. We have established the principle: "Fight the initial battles cautiously and strive for sure success." We have made careful designs and are acting cautiously. However, "even the wise are not infallible." It can hardly be imagined that we can suddenly have a very perfect and absolutely risk-free reform program. It is difficult to completely eliminate the risk of unexpected problems or errors in some areas. Thus, considerable quantities of funds and material resources are needed as a reserve for remedying deficiencies in our reform, just as blood transfusion and oxygen supply facilities are needed in preparing for a major surgical operation. Therefore, our state finance, which plays a part in the primary distribution and redistribution of national income, should be managed in such a way that equilibrium between spending and revenue, together with the achievement of some surplus, must be strived for. The method of achieving sectoral equilibrium and comprehensive equilibrium in finance, credit, foreign exchange, and goods and materials, proved to be efficacious through many years of practice, must be adhered to. This is not only crucial to controlling consumption demand expansion, but is also important to guaranteeing the smooth progress of our economic system reform in a good economic setting.

Third, the growth of consumption demand should be slightly slower than the development of production and the rise in labor productivity. Controlling consumption demand expansion and adhering to equilibrium in national income distribution are of crucial importance, but not adequate. If the proportion of consumption in national income is overly large, so that part of the indispensable amount of accumulation is displaced, then consumption can also grow overly rapidly. Moreover, the sustained growth of consumption will be adversely affected in the long run. In the "Report on the Seventh 5-Year Plan," Comrade Zhao Ziyang said: "Daily life consumption must not grow faster than the development of production. Workers' wages must not rise faster than labor productivity." This prescribes the limits for the growth of consumption demand. Why must the growth of consumption demand be no faster than, or, to put it more succinctly, be slightly slower than, the development of production and the rise in labor productivity? This is because the growth of consumption demand involves the question of the objective compatibility of financial and material resources. Financially speaking, national income can become personal income for consumption only after various necessary deductions. If the entire income is distributed to individuals and consumed, the state's future will be hopeless. Considering material resources, the growth of consumption demand should be compatible with the growth in the output of means of subsistence; otherwise, consumption growth will not be backed by material resources. Moreover, the production of the means of subsistence must grow slightly faster than consumption demand, so that in purchasing consumer goods, individual residents can have more choices in regard to variety, quality, and specification. An increase in the production of marketable consumer goods is not freely achievable, but is limited by objective conditions such as production capacity, the supply of materials and raw materials, the availability of energy resources and transportation and communications facilities, and so on. If consumption demand is one-sidedly expanded without considering objective feasibility and the reality of production and supply, then part of the monetary income will not be backed by value or material things, resulting in price rises. In real life, people invariably hope income can rise faster, but on the other hand, they also hope prices can be stable. However, if consumption demand grows faster than certain reasonable limits, what is called a high level of consumption will be offset by high prices. Without the development of production, without the production of so much material wealth, issuing banknotes cannot boost consumption.

There are also other important problems which should be vigorously solved, such as controlling unreasonable increases in administrative expenses and the purchasing power of certain social groups; using taxation as a lever to rationally regulate the income levels of various categories of people in society; using economic policies, economic levers, and necessary administrative measures to make the people's consumption pattern develop in a rational orientation; strengthening the control, monitoring, and inspection of market prices; preventing the indiscriminate raising of prices; guarding against vicious circles formed by price rises and wages increases feeding on each other; and so on.

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CHANGING THE APPEARANCE OF POOR AREAS ALSO REQUIRES TAKING THE ROAD OF REFORM AND OPENING UP

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[Article by Yang Yongzhe [2876 7176 0772]]

[Text] Changing the appearance of the poor areas as quickly as possible and having them catch up with the national level of economic development is the ardent wish of the people in the poor areas and is also a question of common concern to all sectors of society. If we are to seriously implement the principles and policies of the party and government in respect of resolving the problems of the poor areas, we must adhere to the road of reform and opening up.

I. Reform the Traditional Industrial Structure, Change Economic Weak Points Into Economic Advantages

Our nation's rural regions are broad and the situations in these areas vary enormously. Different areas have different characteristics and have different advantages. Developing a region's advantages is the key question in rural construction. That is to say, if we look at the situation in our nation's poor areas we see that many are old revolutionary bases, minority nationality regions, and remote border regions. There, there are many mountainous areas and vast areas suitable for planting grass, planting trees, or raising animals. There, they have the conditions for developing meat, milk, leather, and pelt-processing industries. In these areas, mineral resources are rich and thus important materials and energy bases can be established. There, they have economic crop superiorities far better than those in ordinary areas. Some areas produce melons and fruit and, because the sun shines for long periods, there are constantly high temperatures, there are few pests or diseases and there is no pollution, the color, smell, and taste of the melons and fruit are all excellent. Bringing into play the superiorities of the areas is the road by which the poor areas can stand up and is also a requirement of the overall national economy. However, in the past, under the "leftist" ideological influence, special regional characteristics were overlooked and all areas "took grain as the key link." This resulted in economic development being checked and the ecology suffering damage and thus the losses outweighed the gains. Since the 3d Plenary Session of the 11th CPC Central Committee, many poor areas have liberated their minds and, in a seeking-truth-from-facts manner, set out their own production plans and very quickly opened up new prospects. For example, western Shandong has brought about an upswing by planting cotton, Yanbei in Shanxi has become prosperous through mining coal, and many areas in the northwest have planted trees and developed animal husbandry and thus taken the road to shaking off poverty and becoming rich. On 31 March 1980, when Comrade Deng Xiaoping was talking about the questions of liberating our minds in rural work and suiting measures to local conditions in developing production, he clearly pointed out: "What is meant by suiting measures to local conditions is that those things for which the area is suited should be developed and that we should not try to force things for which the area is not suited." This is the correct policy which has been put forward after decades of experience and lessons.

If we want to suit measures to local conditions, then we must liberate our minds. We cannot again tread the old road which led nowhere over 30 years nor can we indiscriminately copy other people's experiences. Rather, in accordance with individual resource advantages and conditions, agriculture should be engaged in where conditions are suited to agriculture, raising livestock where conditions are suitable for animal raising, forestry where conditions are suited to forestry, and industry where conditions are suited to industry. Each area should seek its own breakthrough point and each should travel its own road to shaking off poverty and becoming prosperous. The leading organs should adopt more flexible and more open policies in respect of poor areas and allow them to choose development roads suited to their own situations. They should also combine and implement the many preferential policies and considerations of the party and the state in respect of the poor areas in a way which suits measures to local conditions. At the same time, good services need to be provided in terms of circulation, information, funds, and technology, and highways and other basic facilities need to be improved. Only thus will it be possible to effectively assist the poor areas in developing well.

A prominent issue here is allowing those poor areas which are not suited to growing grain to get rid of the millstone of striving for self-sufficiency in grain and encouraging the people there to use existing resources to develop commodity production and increase money income. If one has money, one will have food, and if one has money one will have clothing and shelter. Not only will this allow the problems of food and clothing to be solved quite quickly, but it can also help agriculture and livestock raising, thereby promoting the development of agricultural and livestock raising production. The idea that one can resolve one's problems of being well-fed only by growing one's own food grain does not accord with the demands of developing modern, specialized commodity production. Our country has realized quite good development in the production of grain and cotton and we already have the conditions for making the transition from a self-sufficient or semi-self-sufficient economy to a large-scale commodity economy. Of course, we must also recognize that our nation is large, it has a huge population, communications are not developed, and there are still certain difficulties in transporting food grain over vast distances. Also, the income of the peasants in some poor areas is still very low and, even if grain is transported to their areas, they will not necessarily have enough money to buy it. Thus, on the question of food grain for poor areas, on the one hand the state should supply grain at suitably preferential prices and support the readjustment of the industrial structure and the development of the commodity economy. On the other hand, poor areas must continue planting grain in those areas planted to grain and the state should provide services in terms of fine strains, technology, production materials, and so on. This will assist them to do well in the necessary capital construction of fields, in changing their habits of extensive cultivation, in implementing intensive farming, and in raising per-unit yield. In the past, the major reason the policy of reducing planting and engaging in livestock raising and forestry could not be implemented, and diversified operations could not be developed, was that these issues had not been handled well. Some areas implemented grass sowing and tree planting and developed it at the same pace as basic construction of fields. The result was that "fields were reduced, but grain yields did not fall, while forage and livestock raising saw great development." The effects were very good.

As poor areas readjust their industrial structure, they must correctly handle the relationship between immediate interests and long-term interests. In these areas, the base is poor, the masses have difficulties in their lives, and the funds, technology, and management conditions are quite poor. Thus, if we are to change the poor appearance of these areas, we must proceed from those problems which the masses most urgently need resolved and we must especially stress economic results. If not, and if we set great plans and high demands and just arrange some projects which need great investment, have long cycles, and see results only slowly, then the distant water will not quench the immediate thirst, and these will inevitably be divorced from the masses. Seen from the current foci of work, we should place the resolution of the problems of food and clothing in the prime position. As to becoming prosperous, it is a gradual process and must rely on the masses making great efforts over a long period. In terms of developing commodity production, we should conform with the principle of first using and later developing. First, we should sell those productions the sale of which the peasants are waiting for, so as to resolve their pressing needs. Then we should proceed in accordance with capabilities, gradually expand production, improve quality, and develop new products. As to sowing grass and planting trees in mountainous areas, we should mainly rely on sowing grass and raising livestock, and on the planting of economic crops, and also promote forestry-grain, forestry-grass, forestry-oil, and forestry-medicinal herbs intercropping. In this way, ecological and economic benefits can be combined. Thereby, the peasants will stand to gain and sowing grass and planting forests will have long-term development prospects. As to the running of township enterprises and developing industrial and sideline industries, we should start by running small-scale family and joint-household enterprises which require small investment, see quick results, and have good management. When skilled personnel have been trained, funds accumulated, and experience realized, we can run slightly larger combined projects and backbone projects. In this way, there will be ordered progress from small to large, from low to high, from close to distant, and only thus will good results be achieved.

II. Changing the Old Concept of Making a Living on the Spot and Seeking New Avenues for Getting Rid of Poverty and Achieving Prosperity

In the last few years, the flow of a large number of skilled workers from the economically developed coastal regions to the developing areas and poor areas in the west has played a positive role in promoting economic development. At the same time, labor groups from the developing areas and poor areas, which mainly engage in heavy physical labor, are flowing into the developed areas, into the large and medium-sized cities, and the mining areas. In these areas, they engage in construction, baking bricks, repairing roads, tree-cutting, transport, rubbish removal, laying underground pipes, and in all sorts of social services. This flow both satisfies certain needs in the economic and social development of the cities and developed regions and, at the same time, opens up new employment opportunities and avenues of livelihood for the developing and poor areas. If Dingxi Prefecture of Gansu Province sends off a construction worker, after a year, he will bring back a net income of about 1,000 yuan. Thus, the masses say: "A single person is sent out, but he enriches an entire family." Anjiamen village in Shanyang County, Shaanxi, sent several hundred persons to Xian to dig the sludge out of the city's moats. Their income over a few months was equivalent to the total industrial and agricultural output value of the whole village. They propose: Moving out from our village, going all over the country, using our strength to make money, and becoming prosperous. Actually, the export of labor is not only a way to make money to support the family, but also a means of labor training. The people who are sent out have their vision widened, gain knowledge, and learn technologies. After returning to their villages, they become the local experts, increasing the people's ability to make a living. What is more important is that the people sent get to understand urban and large-scale industrial civilization, and study new ideas and concepts. This has advantages in overcoming the backward consciousness of a small agricultural economy, and will play an important role in changing the spiritual mein of the poor areas and promoting social progress.

All levels of leading organs should support creation by the masses and promote the development of this flow of people. Based on present experiences, in arranging labor export, we should resolve the following three major problems: 1) On the ideological level, we must eliminate the "leftist" influence, and change the erroneous ideas of it being better to suffer and die in one's own place, of people not being allowed to leave the area, and where they therefore sit and wait for aid and sit around idly using up resources. 2) On the basis of the masses' willingness to be sent, and in guiding activities in accordance with circumstances, labor export service entities should be established to arrange the labor export in an organized and guided way. In some regions, cadres lead the group, people with technological knowledge set the example, and they draw in the surplus labor force of the village and organize various types of labor service teams. They go outside to undertake contract projects and at the same time do well in their family work. They make overall arrangements for both production and life and the effects are very good. 3) It is necessary to ask specialized persons to provide technical training for the people who are sent out, to arrange necessary funds and equipment, and to provide various types of service. In this way, the masses who are sent outside in a dispersed way to make a living will develop, join together, and form a new social industrial force.

In addition, for the very small number of places where the natural conditions are very poor, where the masses have long relied on grain, water, and coal being sent in, and where it is difficult to continue an existence, we should guide and organize the masses to move to places where there is water and electricity and where the production and livelihood conditions are quite good. There they can engage in agriculture and industry, participate in small valley construction, and develop new avenues for leaving poverty and becoming prosperous. Remembering history's lessons on the movement of people, we must proceed in accordance with each area's experiences and adhere to the principle of voluntary participation. To begin with, families should not be moved. First, people should leave to work and to start undertakings. When they have done well in construction in the area they have moved to and have a stable, dependable income, there will be an attraction and the peasants will automatically move their families there.

III. Changing the Blockade Situation and Implementing Open-Style Construction

In the last few years, since the Central Committee put forward the idea of the coastal areas supporting the interior and the interior learning from the coastal areas, the poor areas have drawn in intellect from the developed areas and developed lateral economic relationships. This has played a great role in changing the appearance of the poor areas. The poor areas are rich in resources, labor, and land. However, they lack funds, technology, and skilled personnel. Thus economic development is slow. The developed areas have funds, technology, and skilled personnel but do not have sufficient raw materials, energy, labor, or land, and this restricts their further development. Having the two sides combine so that the strengths of one can make up the other's weaknesses and so that they can bring their superiorities into play is necessary if they are both to see economic development and is a common requirement and hope. Positively promoting the development of economic cooperation and technological interflow between poor areas and developed areas is an effective avenue by which to quickly change the appearance of the poor areas.

The experiences of various areas show that lateral economic cooperation and technological interflow must be mutually beneficial if it is to develop well and be continued. In the past, in organizing activities by which the advanced helped the backward, it was mainly done by administrative orders, by mobilizing uncompensated support from a single side. Although doing things in this way plays a certain role, the side which provides the support lacks any internal motivation and cannot be counted on in the long term. The side being assisted just sits there, receives help, and lacks initiative. The reason for this situation is that the relationship of interests between the two sides has not been handled well. If there are mutual benefits and common prosperity and everyone has motivation and initiative and all seek economic benefits, then more things can be done in a better way.

For poor areas to study the developed areas and the development of lateral economic relationships is not an ordinary call. Rather, it is a practical, effective organizational measure. The experiences of some areas which have done well in this respect are as follows: 1) The prefectures, counties, villages, and factories of poor areas have arranged, with particular aims, friendship pairings with prefectures, counties, villages, and factories in developed areas and established firm, close, cooperative, and mutually assisting relationships. 2) Poor areas have sent county heads, village heads, and factory heads to developed areas to link up positions and to study and train through practice. 3) They have requested advanced factories in developed areas to contract for the construction of their new factories, to transform old factories, to purchase and install equipment, and to train technicians and managers. 4) They have engaged heavily in joint operation projects and cooperative development projects and developed all sorts of compensation technological contracts. 5) They have offered preferential salaries and asked retired management cadres, technicians, technical workers, and teachers from the advanced areas to come to the poor areas to teach or to work for short periods. Facts have proven that the results of these methods are quite good.

IV. Changing Uncompensated Aid to Compensated Support and Cultivating Internal Vigor in the Poor Areas

For the last 30 years, the poor areas, with the support of the state, have in general seen definite development and changes in production construction and the masses' lives. However, there are still hundreds of thousands of people for whom the problems of food and clothing have not yet been completely solved. Apart from work reasons, this situation is also related to the poor use-effectiveness of funds used for supporting the poor. The poor use-efficiency has mainly resulted from too much emphasis being placed on uncompensated aid. As it was uncompensated, the money was mostly put into distributing relief grain, relief funds, and relief clothing (at certain times in certain places this was necessary). This money was thus eaten up and the amounts put into developmental production construction were very small. Because it was uncompensated, everybody thought that each person should get a share. They did not worry whether they were in need or not. Everybody vied for some, inevitably resulting in egalitarian distribution and everybody getting only a small portion. Also, because it was uncompensated, it was not used carefully and in some cases was wildly misused and misappropriated. Thus, the economic results were not good. More seriously, it gave rise to a mentality of reliance, where one could just take the money and use it. When it was finished, you could get more and it became a bottomless well. Thus, we cannot again travel this one-sided road of uncompensated aid.

It should be affirmed that in changing the appearance of the poor areas, there must be a certain amount of state contribution. But the "contribution" is for the purpose of "support," to support the poor areas in walking by themselves. The basic method for changing "contribution" into "support" is to change uncompensated aid into compensated support. In the early period after liberation, when hunger and cold were equally pressing and the people were in dire poverty, it was completely right for the state to provide aid.

Today, several decades later, in the situation where production and the masses have both seen definite development and change, apart from a very few areas where, because of uncontrollable natural disasters or other special situations, there is a need to provide aid, other areas have the conditions for changing uncompensated aid into compensated support. Having compensated support will be of benefit in overcoming egalitarianism, in overcoming reliance by cadres and the masses, in strengthening a sense of responsibility, in raising one's spirit of renewal, and in fostering an internal vigor in the poor areas. Thus, with the support of the state they will spread the reform of the poor areas' situation and improve the use-effectiveness of funds. After funds are withdrawn, those funds left in the poor areas will have to be used in a turnover manner, and through the "snowball" effect, the funds will play a greater role. This will also be of advantage in motivating the enthusiasm of localities. As to those few areas which do not have the conditions to change uncompensated aid to compensated support, as a transitional measure, first, pure aid can be changed into the method whereby work is provided as a form of relief. That is, providing them with grain, money, cotton, and cloth but requiring the masses to plant grass and trees, build roads, engage in agriculture and livestock-raising construction, and develop production. Following the development of production and improvement of living conditions, the provision of work as a form of relief can be changed into compensated support.

There must also be reform of investment management. Domestic and international experience has shown that the results of managing investment on a project basis are quite good. That is, the former method of allocation of funds level by level from top to bottom would need to be changed into a system whereby there are requests, from bottom to top, for funds for individual projects. The former system of a small number of leaders having the final say in decisions needs to be changed to one in which the leading cadres and relevant experts together form a development fund management group and, in accordance with the needs of construction and on the basis of strict scientific sequence, select the best projects. They will also supervise and examine the implementation of the projects and be responsible for the assessment and checking and acceptance of projects. The handling of decisions on the investment or withdrawal of funds should be taken out of the hands of administrative departments and put into the hands of trust banks. In this way, we can raise investment efficiency and it will also be of advantage in preventing corruption, waste, and misappropriation of funds.

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TAKE THE ROAD OF INTEGRATING PHILOSOPHY AND SCIENCE--IN MEMORY OF COMRADE AI SIQI

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[Article by Gao Shiqi [7559 1102 0366]; compiled according to the writer's speech at the "Symposium on Comrade Ai Siqi's Academic Thought" on 7 April 1986]

[Text] As an intimate friend of mine in our youth, Comrade Ai Siqi and I spent many unforgettable years exploring and studying problems concerning science and philosophy.

I think that a successful philosopher should have rich knowledge of natural science and be able to observe new developmental trends in natural science and to continuously study a series of philosophical problems in natural science. Comrade Siqi was, undoubtedly, such a successful philosopher.

A review of Comrade Siqi's life will make us understand that in his practice of studying and disseminating Marxist philosophy, he left a host of references to the field of natural science.

In his early years, Comrade Siqi studied mining and smelting in Japan. After he returned to China, he worked as a teacher of physics and chemistry in the Quanzhang Middle School in Shanghai. As the national crisis was becoming increasingly serious, he was forced to engage in the study and propagation of Marxist theory. Nevertheless, he never stopped studying natural science. He concentrated his efforts on the study of the internal relationship between natural science and philosophy and on promoting the integration of natural science and philosophy. In the thirties, he published in Shanghai articles entitled "The Theory of Evolution and Conclusive Evidence," "The Crisis of Modern Natural Science," "Mythicized Natural Science," and "How To Study Natural Science," answering readers' questions on natural science. After liberation, he was a professor of philosophy in the Institute of Marxism-Leninism and the central party school, where he gave lectures on "The History of Social Development" as well as on classical works such as "Dialectics of Nature" and "Anti-Duhring." He also wrote some articles, including "Use Dialectical Materialism To Arm Natural Science," and took charge of the compilation of the "Outline for the Dialectics of Natural Science," the first of its kind in the country. Even just before his death, he took part in the discussion on the "Dialogue on the New Concept of Basic Particles" proposed by Shoichi Sakata, explicitly expounding the principle that matter is infinitely divisible. He also had his article "Dialectical Materialism Is the Theoretical Weapon for Exploring Nature" published in RED FLAG. Why did he pay so much attention to the study of natural science? The basic reason is that philosophy and natural science are dependent on each other and promote each other.

In particular, I would like to mention Comrade Ai Siqi's important contribution to the creation and prosperity of scientific literature. In 1934, in view of the fact that the scientific and cultural knowledge of the Chinese masses was backward, Comrade Siqi suggested the "popularization of natural science." He said humorously: "Putting on a stern expression to talk about natural science will, of course, keep the Chinese masses away. This is like country folks in the remotest countryside being unaccustomed to seeing a modern lady walking there." Therefore, he was "willing to write short articles on science." Subsequently, he did his best to write some 10 short articles on science, which were published in the magazines TAIBAI and DUSHU SHENGHUO. He also translated the medium-length science fiction "Mars" and had his translation published in TONGSU WENHUA as a serial.

In the thirties, which was full of storms and rains, we studied a large number of problems concerning science and philosophy in line with the difficult situation at that time and the needs of the masses. His philosophical thought enlightened me on the creation of works concerning the popularization of science, and my scientific knowledge enriched his philosophical thought. My first scientific essay, "Our Heroes Who Fight the Enemy," was compiled at his suggestion, and I wrote a scientific article, "The Philosophy of Stomachache," according to his dialectical principles.

During this period, I had some 20 science essays published in the magazine DUSHU SHENGHUO. This should be attributed to Comrade Ai Siqi's enthusiastic support. We joined the Shanghai Writers Association in 1937. In the same year, we also went to the Wanguo Funeral Home to pay our last respects to the remains of Mr Lu Xun. Subsequently, he accompanied me to the TONGSU WENHUA Publishing House for the arrangement of the publication of my scientific essay "A Bacterial Restaurant."

After the war of resistance against Japanese aggression broke out, we went to Yanan in pursuit of revolutionary truth, he proceeding from social science and I from natural science. From then on, we visited each other frequently.

During the long period in which we were in contact, I quite understood and esteemed Comrade Siqi's character. His upright character, hard-working and indomitable spirit, and will to fight for the lofty ideal of communism made a deep impression on me. Throughout his life, he wrote many works, in which he carefully combined practicality with ideological soundness, as he was aware that any absurdity would bring great harm to readers. His spirit of engaging in serious scholarly research merits emulation. It is now 50 years since I first came into contact with Comrade Siqi. For a human being, a span of 50 years is quite a long time, but it is a moment in human history.

During these 50 years, however, science and philosophy throughout the world have undergone continuous development, embodied each other, and become closer than ever. Today, the era and situation urgently require that philosophers should enter the scientific sphere, enrich philosophy in the course of scientific development, and have a wider philosophical perception, and that scientists should enter the philosophical sphere, use philosophical thought to guide scientific research, and fully apply their philosophical stand, viewpoint, and methods. The integration of these two will lead to the formation of a new force which can constantly improve human life. Fifty years ago, Comrade Siqi began to devote his efforts to the exploration of science and philosophy. This gives expression to the inevitable process of this historical development!

Perhaps, if we now read Comrade Siqi's scientific articles, we will feel that their ideas and content are too simple and behind the times. But from these articles, we understand how the ideas of this philosopher developed and how this farsighted philosopher blazed a new trail in the integration of science and philosophy. Comrade Siqi set us a good example in integrating science with philosophy and theory with practice. The impetus of this example will, undoubtedly, inspire and guide us, and in particular young people engaged in philosophical and scientific work.

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CREATE A NEW SITUATION IN BUILDING THE LEGAL SYSTEM FOR SCIENCE AND TECHNOLOGY IN OUR COUNTRY

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 26-29

[Article by Wu Mingyu [0702 2494 3842]]

[Text] In order to make use of socialist laws to exercise macroscopic guidance and administration over scientific and technological work, our country took a steadfast step toward legislation for science and technology in 1985 and the building of the socialist legal system has begun in a new realm. In implementing the magnificent Seventh 5-Year Plan, the profound understanding of the relations between the law and science and technology will be a task of great importance to the gradual realization of rule by law over scientific and technological work.

The Emergence and Development of Legislation for Science and Technology

Law, as a group of behavioral rules playing a role in adjusting social relations, emerged almost at the same time as the nation state. However, science and technology, as well as the related legislative practice, are the products of a certain more advanced stage of the development of social productive forces.

The so-called law on science and technology is, in fact, the sum of the legal norms that adjust the social relations displayed in scientific and technological development. Its emergence as a part of the modern legal system was by no means a coincidence. Modern science and technology is the most active and decisive factor in the new social productive forces. Just as Marx pointed out: "Labor productivity constantly develops along with the constant progress of science and technology." ("Collected Works of Marx and Engels," Vol 23, p 664) In the wake of the development of social productive forces, science and technology will infiltrate deeper and deeper into social production and social life and will have a profound influence on traditional social relations. Such being the case, it is becoming clearer and clearer, as time goes by, that the legal readjustment of social relations in science and technology is bound to become an important part of the modern legal system.

Actually this is a historical fact. So far the development of science and technology has undergone three stages:

1. Technical standards--the cradle of the law on science and technology.

The emergence of technical standards can be dated back to ancient times. Although productive forces were at a very low level at that time, people did learn and master some natural laws from practice. In the course of the development of production and exchange, people gradually understood the importance of certain technical standards and the state began to pay attention to the formulation of technical standards. So, science and technology established their initial relations with law. For example, in China, the "Law of the Qin Dynasty" contained strict provisions on the unification of weights and measures.

2. Intellectual property--the emergence of the law on science and technology.

As science and technology have been developing and, in particular, the results of scientific research and technological inventions have been extensively applied to production since the 19th century, the legal system aimed at protecting the intellectual property arising from inventions and academic works emerged under the conditions of capitalist commodity economy. This should be regarded as the initial form of modern law on science and technology. At the very beginning, intellectual property merely consisted of copyright and patent rights. Nowadays, it involves a wide-ranging content, including the inventor's patent rights, the discoverer's patent rights, the property rights of data and programs, the property rights of scientific and technological achievements, and so on. The significance of intellectual property lies in the fact that the personal rights and property rights of the authors of scientific and technological achievements will be respected through the procedure of legislation and thus scientific and technological activities will be governed by the state's legal regulation.

3. Macroscopic rule by law--the further development of the law on science and technology.

Macroscopic control over scientific and technological activities by legislative means has become a common practice in the world since World War II, especially since the seventies. In many countries, the focus of legislation is no longer on the political realm, as was seen previously, but has been shifted to the economic, scientific, and technological fields. Laws and regulations on science and technology are making up a more and more significant part of the new laws and regulations enacted by these countries in the last 2 to 3 decades. Some countries, while enacting separate laws and regulations on science and technology, are actively considering formulation of the basic law on science and technology; and other countries are exploring the legislative issues arising from the new technological revolution and intensifying the legal system that is expected to expedite the application of science and technology to industrial production.

Foreign countries' experience in building a legal system for science and technology and our country's practice in scientific and technological development show that law must be used as a means to regulate the state system regarding scientific and technological development, the complicated scientific and technological apparatus, the macroscopic forecast, planning, and decisionmaking relating to scientific and technological work, the administration over research and development, and the relations between the macroscopic and microscopic scientific and technological activities. A series of new problems arising from the new technological revolution (such as the protection of computer software, the control over biological engineering, the social administration of information, the sovereignty of the deep seas and outer space, and so on) also badly need to be solved with laws that reflect the rules of scientific and technological development. It can be predicted that legal regulation will be extended to the vast field of science and technology in the wake of modern scientific and technological development. The closer and closer integration of science and technology and law is one of the important features in the building of a legal system in our times.

Legislation for Science and Technology and the Reform

The purpose of all the reforms that China has introduced is to remove the shortcomings of the existing structure that hinders the development of social productive forces, and thus establish step by step a new structure that conforms to our national conditions, and builds socialism with Chinese characteristics. As law is an important component of the superstructure, abrogating or changing the old conventions embodied in the current laws that hinder the development of social productive forces, as well as recognizing and establishing a new mode that is favorable to the expansion and development of social productive forces, constitute an important part of the reform. In order to step up scientific and technological modernization, the party and the state are leading hundreds of millions of people to resolutely carry out a reform of the scientific and technological apparatus with a pioneering and trail-blazing spirit. There is no doubt that the reform of the scientific and technological setup needs legislation for science and technology, and the latter will in its turn expedite the former.

One of the important tasks to be accomplished by the reform of the scientific and technological setup is to overcome the long-standing serious shortcomings of the existing setup; to break away from the ossified mode that is unfavorable to our effort to gear scientific and technological work to the needs of economic construction, to the rapid transformation of scientific and technological achievements into production capacity, and to the development of the wisdom and initiative of scientists and engineers, and to establish a new socialist structure with Chinese characteristics which can meet the needs of scientific and technological modernization. In order to fulfill this goal, we must endeavor to fix, in the form of law, the basic guidelines of the party and the state on scientific and technological development; the policies that have been proved to be correct, will continue to work for a long period in the future, and need to be enforced and the experience which hundreds of millions of people have accumulated in the reform, which has proved to be useful, is worthy of being popularized in a big way. Only in this way can scientific and technological modernization develop steadily and the socialist reform be carried on smoothly.

In order to boost China's science and technology, the party and the state have formulated the strategic principle that "economic construction must depend on science and technology, and science and technology must be geared to the needs of economic construction." In the past few years, with a view to guaranteeing the harmonious development of science and technology, the economy, and society, the state put forth again some technological policies toward certain important fields. This principle and these policies are the important guidelines for scientific and technological development in our country. However, principles and policies are not powerful enough to speed up scientific and technological modernization. The reason we emphasize the importance of the legal system while continuing to use the strategy and policies on science and technology to provide macroscopic guidance over scientific and technological work is because the laws relating to science and technology can play an important role different from that played by strategy and policies on science and technology.

First of all, the law on science and technology has the attribute of state will, and is therefore compulsory. Generally speaking, the policy's governing function is performed with the aid of public opinion, ideological understanding, vocational ethics, and administrative measures. The case of law is different. It is enacted by the state power or administrative organs, stipulating the rights and obligations of administrative departments, nonproductive service units, enterprises, social organizations at all levels, and citizens engaged in scientific and technological activities. The law on science and technology affirms, safeguards, and develops the social relations and social order that are favorable to scientific and technological modernization, and it is enforced by mandatory orders issued by the state apparatus. Those who violate the law shall be liable to civil, administrative, or even criminal penalties. Therefore, the law has great authority. Of course, the governing function of a policy can also be performed with the aid of law. However, a policy can only act as a law or have the authority of a law when it is formulated or endorsed by the state power organ and upgraded to a state law.

Second, law on science and technology is highly restrictive. Marx said: "Law is an affirmative, definite, and universal norm." ("Collected Works of Marx and Engels," Vol 1, p 71) The party's and state's principles and policies on scientific and technological development are the basis and guideline for the law on science and technology, while the latter is composed of concrete restrictive provisions reflecting major principles and policies. In the rigid structural form of supposition, treatment, and punishment, the law on science and technology draws a definite qualitative and quantitative boundary to stipulate what people should and are allowed to do, what is forbidden, and the possible results of violation of the law. Therefore, legislation on science and technology is a necessary measure to guarantee that the party's and the state's strategic decisions on the reform of the scientific and technological structure shall be implemented properly.

In addition, the law on science and technology is relatively stable. Our party has always borne in mind the necessity of drawing up its revolutionary strategy and policies in accordance with the changes in the situation and the tasks it is facing. To be sure, some policies are relatively stable and must not keep on changing drastically, but it is also necessary to make sure that these policies show a certain degree of flexibility. Relatively speaking, laws are much more stable than policies, although they still have to be revised and readjusted to a certain extent from time to time according to the changing situation. By upgrading to laws the party's and the state's major and relatively stable policies on science and technology and the experience that has been proved correct in the practice of the scientific and technological structural reform, we can ensure that scientific and technological work will not be vulnerable to the influence of the "change in guidelines during different individual periods" and will remain stable despite changes in the leading body or in the views and focus of attention of some leading people. This is an important condition for the stable and steady development of science and technology in our country and therefore the basic guarantee of the fulfillment of our magnificent goal of socialist modernization.

Establishing an Alliance of Scientific and Technological Circles and Legal Circles

The so-called legislation on science and technology means the formulation, revision, and abrogation of laws and regulations on science and technology. Its purpose is to exercise rule by law over scientific and technological work. Due to the interference of "leftist" ideology, our country's socialist legal system has remained very unsound for a long time, and the legal system for science and technology as a new field is particularly weak. So far, in many aspects of scientific and technological work, we still have not enacted any laws and regulations. According to statistics, laws and regulations on science and technology account for merely around 1.5 percent of all the laws promulgated by the NPC and its Standing Committee and the administrative laws and regulations enacted by the State Council during the period from the founding of the PRC to late 1985. Moreover, about 70 percent of these enacted laws and regulations on science and technology need to be revised or abrogated according to the actual circumstances of the reform. Therefore, the task of legislation on science and technology is to formulate a series of new laws and administrative regulations and ordinances in an almost completely unexplored field. A particularly pressing task is that we must establish China's basic legal system for science and technology in light of the important policy laid down in the "CPC Central Committee's Decision on the Reform of the Scientific and Technological Structure." For example:

--We must formulate a law on technological contracts which provides the basic norm governing the production and exchange of knowledge as a type of commodity, transform scientific and technological achievements into productive forces with the aid of contracts as an intermediary, and render the principle of "opening up, enlivening, supporting, and guiding" toward the technology market laid down by the party and the state into concrete restrictive rules and regulations.

--We must formulate a law on scientific and technological research institutes; establish the corporate status of research institutes; clearly define their rights and obligations; and stipulate the conditions for the establishment, reorganization, and abolition of a research institute, as well as its organizational form and administrative structure, so as to give full play to its positive role in scientific research, technological development, and the application of science and technology to economic construction and social development.

--We must formulate a law on scientific and technological organizations, so as to safeguard the legitimate rights of all kinds of societies, research bodies, associations, and academic organizations related to science and technology, and to give full play to the role of these organizations in developing science and technology, fostering scientific and technological personnel, popularizing scientific and technological knowledge, promoting international academic exchange, and expediting the development of material and spiritual civilization.

--We must formulate a law on scientific and technological labor so as to protect scientific and technological personnel's basic right to engage in scientific and technological activities and explore new productive forces, to ensure that the specific principle of "from each according to his ability and to each according to his work" shall be practiced in the field of intellectual labor, and to perfect the wage system, position structure, academic degree evaluation system, training system, personnel selection, employment, appointment, resignation system, and reward and punishment system.

--We must formulate a law and administrative ordinances and regulations which support the reform of the fund appropriation system. We must perfect the bidding system for state-run key projects, the fund system for basic research, the all-round contracting system for operational expenses of research organizations running public welfare undertakings, the investment system for development of new technology, and the legal measures for the implementation of the "spark plan," the revitalization of local economy, and the development of new and advanced technology.

We are undoubtedly facing a very arduous project concerning the legal system for scientific and technological development. The fulfillment of this task needs a group of qualified personnel who have both scientific, technological, and legal knowledge, and rich experience in management of scientific and technological work. It also needs concerted efforts by scientific and technological, economic, educational, cultural, and legal fronts. However, in light of the actual situation, such a contingent currently available in China, in terms of both its quantity and quality, lags far behind the needs of the task of establishing a legal system for science and technology. The present judicial organizations in China are unsound; the vast number of scientific and technological workers in China, with a vague concept of law, are very unfamiliar with legal practices because they have never accepted systematic legal training; and a small number of judicial workers usually lack scientific and technological education background and know little about the operational mechanism of the scientific and technological setup. Therefore, the important approach to strengthening legislation on science and technology is to bring the initiative of the scientific and technological circles and the legal circles into play and to establish an alliance between them.

Since the 1985 national forum on legislation on science and technology, the State Scientific and Technological Commission has sponsored the scientific study of legislation on science and technology and is planning to launch surveys on more than 10 topics, including "international comparative study of legislation for science and technology" and "study of legislation for new technological revolution," to be undertaken by some survey groups formed by specialists from scientific and technological departments and legal departments on a voluntary basis. Such a practice, which steps up legislation on science and technology by the means of an alliance of the scientific and technological circles and the legal circles, is very likely to break a new path for the establishment of the legal system for science and technology which suits China's national conditions. Such a practice can solve the contradiction between the arduous task of legislation on science and technology and the shortage of personnel specialized in the legal system and ensure that substantial results will be scored in the establishment of the legal system for science and technology within a relatively short period. It can help our scientific and technological workers and legal workers to learn from each other and make up each other's deficiencies through the practice of legislation for science and technology, and thus foster a new contingent of legal personnel which can meet the needs of socialist modernization. The alliance of the scientific and technological circles and the legal circles will also speed up the close integration of science and technology with law, boost the development of natural, legal, and management sciences in China, and thus constantly push ahead the development of scientific and technological modernization and the socialist legal system as a whole in our country.

In his letter to the national forum on legislation on science and technology, Comrade Peng Zhen pointed out: "Stepping up legislation on science and technology in our country is an important task which will help us to put our socialist legal system on a sound basis." We hope that our scientific and technological workers and legal workers who are eager to achieve scientific and technological modernization will take prompt action, unite together, work hard, bravely blaze new trails, and thus make new contributions to strengthening our country's legal system for science and technology and realizing the four modernizations as soon as possible.

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THE NEW TECHNOLOGICAL REVOLUTION AND CONTEMPORARY WESTERN SOCIAL THEORIES

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[Article by Xu Chongwen [1776 1504 3306]]

[Text] A new tide of technological revolution is rising in the whole world. As this new technological revolution gradually develops, diversified social theories are emerging in the West, which probe into the changes that the new technological revolution will rise rise to in social life and which explain and forecast the new situation, problems, and trends that will emerge during the new technological revolution. However, in making this explanation and forecast, Western social theories often ascribe all these to technology and to technology alone. How should we view this? This is a question worth our profound consideration.

Over the past few years, responsible comrades of the CPC Central Committee have time and again pointed out that the new tide of technological revolution that is rising on a world scale, will provide new opportunities and mean a new challenge for our country's economic development. We should study it and draw up appropriate policies in order to grasp the opportunities, catch up with the advanced countries, reinvigorate our economy and make our society prosperous. Therefore, we should not only study and learn from the development of the new technological revolution in the world and formulate an economic development strategy that conforms to our country's national conditions, but we should also apply the basic principles of Marxism to analyzing the contemporary Western social theories that have emerged around this new technological revolution, and study and solve the various social problems that will crop up during the new technological revolution.

I

The kinds of problems that contemporary Western social theories are focusing on in their research are global problems. What we call the global problem is a special phenomenon that is emerging at the current stage of human history owing to the acceleration of the development of science and technology since the middle of the 20th century. On the one hand, the development of science and technology has opened up new scope for the activities of the human race and greatly augmented the human race's ability to affect nature. As a result, science and technology have become a force as powerful as nature. On the other hand, when this powerful force is improperly used and gets out of control, it will cause unfavorable consequences and give rise to a series of very complicated social problems that affect the human race and its future. In addition, these problems are entangled and linked with one another and very difficult to unravel. As these problems are of global scale, as they involve the interests of the whole human race, and as it requires the coordinated efforts of the whole world to solve them, they are called global problems.

Global problems first involve problems relating to the interaction between human society and nature. They reflect a dangerous imbalance in the interaction between man and nature and require people to utilize resources in a rational and planned manner and ensure the natural conditions that are necessary for biological activities. Global problems also involve the problems of the contradictions in human society itself that are caused by the contradiction between man and nature. These contradictions are not limited to certain areas on the earth, but are international in nature. The most important among them are the problems related to peace and the economy, which are also respectively called East-West and South-North problems.

The study of global problems is a study that covers various branches of science. Its typical method is "global stimulation." This method was first put forth by the Club of Rome that was established in the Italian capital in April 1968. When this international academic body discussed the various problems arising from the development of science and technology and the economic growth in the West, it held that the situation of the human race on the globe had undergone a radical change: The human race has changed from one of many species of living things into the manipulator of all life on the globe including the life of the human race itself. Man has not realized this change or clearly understood the responsibility he has to shoulder. This has caused global problems to multiply, the exhaustion of natural resources, pollution of the environment, overpopulation, and the outbreak of war. The entanglement of all these problems has given rise to a "human predicament."

Centered on the research into global problems and the "human predicament," the Club of Rome organized its members to edit and write a series of research reports. In its first report published in 1972 and entitled "The Limits to Growth," Professor Meadows of the U.S. Massachusetts Institute of Technology and others used the theory of exponential growth and the feedback loop method of systems dynamics to investigate and study the five major trends that the whole world is concerned about: 1) The acceleration of industrialization; 2) the acceleration of population growth; 3) widespread malnutrition; 4) the exhaustion of nonreproducible resources; and 5) the day-by-day deterioration of the environment. Their conclusion was that if the existing trends of development related to population, industrialization, environmental pollution, grain production, and resource exhaustion remain unchanged, then in the coming 100 years, world development will reach its limit and a crisis will emerge with the collapse of human society. Before the year 2100 comes, world development will stop on its own and the end of the world will come. In order to reverse this development trend and in order to establish a lasting ecological balance and economic stability, we must adopt various measures to maintain a zero growth in world population, industrial capital, per unit industrial product material consumption, and environmental pollution.

Since its publication, the report "The Limits to Growth" which is regarded as a representative pessimistic report, has yielded shocking repercussions in the world, which were aggravated by the energy crisis in 1973 and the grain crisis in 1974 not long after its publication. However, it was also fiercely attacked by the optimistic faction represented by (Conn) [1660 1869], director of He-de-sen [6378 1795 2773] Institute in the United States. Conn and others think that the major problems that "The Limits to Growth" said that the world is faced with, are in the main problems that can be solved, or that cannot be solved at present but will be able to be solved in the near and medium-term future. They are transitional problems in the period of transition for the human race from world poverty to world prosperity.

The global problems and "human predicament" mentioned by the Club of Rome are in essence problems and harm that have been caused by the accelerated development of science and technology on many occasions owing to the human race's lack of foresight or owing to its failure to control its activities. We should point out that when the human race transforms nature, its activities often yield some unforeseen consequence which later causes harm to the human race. This is a long-standing phenomenon in the history of the human race. Marx pointed out: "If farming is carried out spontaneously without conscious control..., soon land will become wasteland as it did in Persia, Mesopotamia, and Greece." ("Collected Works of Marx and Engels," Vol 32, p 53) Later, in an article entitled "Function of Labor in the Process of Transformation From Apes to Human Beings," Engels expounded and proved this in detail. He pointed out: "If it has taken several thousand years of labor for us to learn a little skill to estimate the relatively long-term impact of our production activities on nature, then it is much more difficult for us to learn the skill to make long-term forecast of the social impact of these activities," "but through prolonged and often painful experience and through comparing and analyzing historical materials, we have also learned some skill in this sphere and thus become able to see the indirect and relatively long-term social influence of our production activities. As a result, it has become possible for us to dominate and readjust this influence." ("Collected Works of Marx and Engels," Vol 20, p 520)

In our times, the development of science and technology is quickening and the scope of human activities has enlarged to the whole surface of the globe and even to the universe beyond the globe. The human race is utilizing nearly all materials and natural resources in the earth's crust. As a result, if we fail to control the human race's effect on nature, there will be increasingly great danger. For human activities may give rise to side effects such as disruption of ecological balance and environmental pollution, which may threaten the survival and future of the human race. This danger is particularly serious when the bourgeoisie only pays attention to the immediate and direct consequence of its activities in carrying out production and exchange in pursuit of profit. Under this situation, the Club of Rome reminded world press circles solemnly that they had to pay attention to the social consequence of economic growth and scientific and technological progress and be aware of the urgent problems that the human race is faced with in our times. In particular, it objectively proved with rich practical materials that under capitalist social conditions the negative consequence of scientific and technological progress constituted a threat to the human race. All this is obviously of very great positive significance in urging the human race to adopt measures to "control and regulate" the social consequence and impact of the new technological revolution. Even those who have criticized the Club of Rome and its report cannot deny this. Moreover, the Club of Rome's report was not aimed at giving a forecast about the future nor did it strive to describe the actual forms and images of the future. But it analyzed and studied some schemes to solve the problems for people to choose and refer to in making decisions. This practice has something to recommend it.

However, there are fundamental shortcomings in the guiding thoughts and methodology of the Club of Rome in probing into global problems and the "human predicament." This was prominently shown in the fact that it based its analysis on viewpoints and methods on the mutual relations between man and nature that transcend the social systems that had taken shape in history. As a result, its views on global crisis are mostly some abstract concepts about society, economy, politics, and ideology. Most of its methods for solving global crisis are impractical and of a vague and utopian nature. This is because, in real life, the chief cause for the emergence of global crisis is not the development of science and technology or man in its general sense, but is man who selfishly regards as his goal the pursuit of wealth under certain relations of production and social systems, or man who lacks foresight and who acts on nature and society with a narrow pragmatic view. Therefore, in order to solve the global crisis and "human predicament," we obviously do not need an indiscriminate restriction of economic development and an indiscriminate suspension of scientific and technological progress, but we should utilize nature in a rational and planned manner on a global scale. In order to do so, we should transform capitalist social systems which hinder this utilization. For precisely as Engels pointed out, in order to regulate the indirect and relatively long-term impact of our production activities, "it is not enough to rely merely on our understanding. It is also necessary to carry out a thorough reform in our current mode of production and in today's entire social system that is linked with the mode of production." ("Collected Works of Marx and Engels," Vol 20, p 521) The socialist system creates necessary social preconditions for rationally resolving the relations between man and nature and for continuously solving ecological problems.

In fact, during the debate and discussion centered around the article "The Limits to Growth," the Club of Rome has also gradually revised its viewpoints. For example, it switched from upholding zero growth to upholding "organic growth," shifted its attention from physical limit to growth to social limit to growth, and switched from the view that regards man as a passive resistant against nature to the view that advocates developing man's latent ability and thus putting the development of things finally under man's control. However, after all, in analyzing and overcoming global crisis, the Club of Rome has not focused on analyzing and resolving the social essence of the global problems, but focused on the policy of hoping that people will change their values and on substituting one system of values for another. By so doing, it has ignored the fundamental relations between the social consequence of scientific and technological progress and the social system that determines the orientation and development of scientific and technological progress. As a result, the various methods of solution put forward by it are unable to really solve the problems.

II

Another issue that contemporary Western social theorists have focused on in their study is the issue of social development, in other words, the issue of the social consequence of the new technological revolution. For example, Walt W. Rostow published "The Stages of Economic Growth" in 1960, and "Politics and the Stages of Growth" in 1971, John Galbraith published "The New Industrial State" in 1967, Raymond Aron published "Industrial Society and Development of Social Strata" from 1967-1968, Toffler published his "The Third Wave" in 1980, Nisbet published his "Grand Trend" in 1982, and Yonetsu Matsuda published "The Information Society" in 1983. All these books contain the theories in this area.

Western theorists have put forth a series of theories about "new civilization" and "new society" to explain and forecast the social consequences of the new technological revolution. These theories are expounded in books such as Da-lun-duo-fu's [6671 0343 1122 1133] "Postcapitalist Society," Li-xi-te-hai-mo's [0448 1585 3676 3189 7817] "Postbourgeois Society," Baldin's "Postcivilized Society," Carr's "Pluralistic Society," Brzezinski's "Electronic Technological Society," and Tu-lan's [0956 5695] "Programmed Society." However, among all these theories, the most typical and representative is the theory of "postindustrial society" put forth by Professor Bell of Harvard University in the United States.

As far back as in 1959, in the light of the new trend of switching from mainly developing commodity production to mainly developing the undertakings to provide service in U.S. economy Bell put forth the concept of "postindustrial society." At a symposium in the spring of 1962, Bell gave a lecture entitled "Postindustrial Society: A Theoretical Viewpoint Characteristic of the 'Postindustrial Society'--the Role of Intelligence, Technology and Scientific Theories in Social Changes." In 1973, Bell formally published a book entitled "The Advent of Postindustrial Society," in which he started from the changes in the composition of production and labor to expound on and prove the following five characteristics of the "postindustrial society":

1) From the point of view of the composition of economy, the main sector of development in social economy has switched from commodity production to service trade; 2) from the point of view of professional distribution, the number of white-collar workers and managerial personnal has exceeded that of

blue-collar workers; and scientists, engineers, technicians, medical workers and teachers have formed a class of professionals that has become the core of the "postindustrial society"; 3) from the point of view of social axis, theoretical knowledge has a key position in the "postindustrial society" and become a basis for guiding the reform and formulating policies; 4) the orientation for future development of technology is controlled and assessment is made about technological development; and 5) intellectual technology is developed and intuitive judgment is replaced by scientific decisionmaking rules. Bell holds that as the division of social strata and the establishment of the system of social power are based on possession of the scarce resources in the society, unlike a preindustrial society where power is in the hands of landlords and the military who possess and defend land resources, and unlike an industrial society where power is in the hands of enterprise owners who possess machines, in a postindustrial society, power is in the hands of scientists and research workers who master knowledge and information.

When the book "The Advent of Postindustrial Society" was reprinted in 1976, Bell gave eight aspects of detailed exposition on the difference between the "postindustrial society" and the current industrial society and narrated some additional marks of the "postindustrial society." In 1979, Bell wrote another article entitled "The Information Society," in which he clearly points out that the imminent "postindustrial society" is also an "information society" that is based on production and processing of knowledge, and that by the 21st century, the consequence of combining the computer and telecommunications technology that is based on microelectronics, may be of decisive significance for the methods of economic development, social communication, and creation and study of knowledge, and for the characteristics of the professions and jobs that people are engaged in.

Contemporary Western theories on economic development represented by Bell's theory on "postindustrial society" have summed up and forecast production development under the new technological revolution, expounded on the changes in production composition, economic structure, production scale, social division of labor, production organization and economic management system that will be caused by the development of productive forces stimulated by the new technological revolution. They have put forth the theses that the new technological revolution will cause knowledge and wisdom to play an increasingly important role in economic and social development and become a key to the competitive edge and economic achievements of enterprises and that information technology has invented a way to substitute machine for mental labor, given rise to a reform in the modes of labor, improved the productivity of human mental labor and thus accelerated economic development. All the above has vividly and clearly described to us the trend that under the conditions of the new technological revolution, science is gradually and directly turned into productive forces. This enlightens us and provides us with something to refer to in formulating our economic development strategy and policy.

However, on the other hand, these contemporary Western theories on social development have revealed many of its errors when they try to prove by reasoning that the new technological revolution is creating conditions for the evolution of capitalist society into a new society and civilization:

First, all these theories have ignored relations of production and divided up stages of modes of society and stages of social development in the light of economic and technological level alone. This is obviously not scientific. For while people can start from productive forces and use the concepts of agricultural, industrial, and information society to indicate the specific economic and technological level that a society has attained, just as Marx said, "whatever the social forms of the production," it is after all the "special modes and methods" that "combine laborers with means of production" that determine that the structure of society is divided into "various different economic periods." ("Collected Works of Marx and Engels," Vol 24, p 44) If the factor of relations of production is ignored, it is impossible to disclose the characteristic of social economy in organically linking all aspects of social life and forming them into a unified and integrated society. It is even more untenable to ignore the difference in social economic modes and regard, in the light of the yardstick of productive force, capitalism and socialism as two different forms of industrial society which will develop in the same direction and will both become "postindustrial society" and "information society."

Second, these theories regard the role of production technology in the development of current society as absolute. They seem to hold that the development of science and technology will automatically give rise to a reform in capitalist relations of production and social system. This is obviously an impractical illusion. Applying some achievements of modern science and technology to production may give rise to many changes, but after all, it cannot remove the innate contradictions and defects of the capitalist system. It may give rise to certain changes in capitalist relations of production, but these changes can only take place within the scope of capitalism and within the boundary allowed by the capitalist private ownership of means of production. Therefore, if we do not thoroughly eliminate private ownership through a social revolution, no technological revolution can ever turn capitalism into any new society. In fact, what Western social theories have done is to cover the practical contradictions in current capitalist society by talking about the fantasies in this sphere.

Third, these theories boundlessly exaggerated the rise of management personnel and the role of scientific and technological intellectuals in production, regarding this as the emergence of a new ruling class and the rule of able people, the coming to power of the stratum of professionals, and the deprivation of the bourgeoisie's leading position in society. They exaggerated it and regarded it as a change in the conflicting relations in the society. This obviously does not conform to reality. In the era of monopoly capitalism, in spite of the continuous intensification of the trend of separation between the ownership and management of capital and in spite of the process of production management work gradually becoming a profession, a process which has given rise to a special social group of management officials or managers, capitalists have by no means lost their ruling position. For "capitalists' management is not only a special function that emerges because of the nature of the process of social labor and that is a part of this process, it is also a function of the process to exploit social labor; therefore, it is determined by the unavoidable confrontation between exploiters and those they exploited." ("Collected Works of Marx and Engels," Vol 23, p 368) Even less does the growth of the role of scientific technological intellectuals mean the emergence of the rule of a new ruling class--the rule of able people. For facts have clearly proved that the enterprise owners who employ scientific and technological experts give far more guidance to the activities of these experts than the latter do the activities of the former.

III

The contemporary Western social theories that have emerged in the course of the research centered around the new technological revolution involve many branches of sciences and many issues, including the new issues that the traditional sciences such as economics, politics, ethics and philosophy have encountered under the situation of the new technological revolution; issues that rising branches of sciences such as futurology and ecology and frontier sciences are carrying out research into; and also comprehensive issues that several different branches of science are jointly carrying out research into. The trends of thoughts related to these theories have been divided into many factions. Roughly, we can say that these factions can be classified into two opposite and confronting groups: Some of the factions flaunt the banner of science, while others are proud of opposing science; and some of them publicize radicalism while others advocate new conservatism; and some uphold pessimism while others uphold optimism....

However, in spite of the above-mentioned differences, all contemporary Western social theories are the continuance and development of Western social theories under the conditions of the new technological revolution and they all contain to various degrees the following two aspects:

One aspect of the contents is synthesis and analysis of the social consequences of the new technological revolution, explanation of the development in social productive forces and the new changes in social life that the new technological revolution may give rise to, and forecasts on the social development in the sphere of production. This is a crystallization of the advanced scientific and technological achievements scored by the human race in our times and reflects some common laws that govern the socialized mass production and development of commodity economy under the conditions of the new technological revolution; therefore, it has fairly great cognitive value for our reference and we should not negate it at will. If we assess it from the point of view of the development of productive forces in particular the development of technology, the conclusion is just as Marx said in his preface to the first edition of "Das Kapital": "It is these laws themselves, and the trends that are playing their role with inexorable inevitability and that are being realized, that matter. What industrially developed countries display to relatively industrially underdeveloped countries is precisely what will take place in the latter in the future." ("Collected Works of Marx and Engels," Vol 23, p 8)

Another aspect of the contents of contemporary Western social theories is the erroneous ideological tendencies that they embody.

All contemporary Western social theories study the development of science and technology divorced from social conditions. Some of them regard the progress of science and technology itself as something able to overcome all contradictions and as a panacea that can cure all diseases, as if the development of the new technological revolution could infuse new vitality into the capitalist society that is encountering crisis after crisis, help it get rid of its crises and predicaments, and bring it to a wonderful new era and new society. They try to inspire people with this illusion. Others blame the civilization of science and technology alone for the actual contradictions and negative tendencies in the application of scientific and technological achievements in capitalist society which is characterized by antagonistic contradictions, and regard it as the ultimate cause for all disasters including the population explosion, aggravation of unemployment, ecological crisis, environmental pollution, deterioration of land fertility, exhaustion of resources, and the nuclear threat that the human race is faced with. They categorically assert that extinction of the human race will be unavoidable, if the human race follows the path of "technological civilization." Therefore, they call on people to overcome the "human predicament" by means of restricting economic development and suspending scientific and technological progress and to thus avoid a tremendous disaster which will mean the end of the world. Despite the differences between optimists and pessimists on contemporary Western social theories and between scientism and nonscientism, they all have an ideological tendency that can be called "technology determines everything." They metaphysically separate scientific and technological progress from the specific social and historical conditions under which the progress has been realized. On the one hand, they regard as absolute the relatively independent role of science and technology in social development and regard the development of science and technology as something that is independent from social conditions. On the other hand, they boundlessly exaggerate the scientific and technological aspects of social development and ignore its economic and political aspects, regard science and technology as the only factor that determines social development, imbue it with an independent life beyond human control, regard it as a force that dominates the destiny of the human race and its society, and thus become bogged down by the "theory that technology determines everything."

Marxists always attach great importance to the development of science and technology and hold that science and technology is a productive force, a revolutionary force that pushes history forward, and a powerful lever for the development of history. The development of science and technology marks an improvement in man's ability in transforming nature. However, in the course of transforming nature, people must form certain relations between them. When these relations are not suited to the development of science and technology, there will be contradictions between the former and the latter, which will disrupt people's ability to transform nature. In fact, in bringing welfare or disaster to the human race, science and technology never plays its powerful role spontaneously, but does so under certain relations of production and in accordance with certain goals of certain societies, classes, political parties and countries. Science and technology is not only created by people, but the orientation and nature of the application of its achievements is also determined by people and by the social organizations for people's activities. Therefore, in analyzing the various problems related to contemporary capitalist society, we should not regard technology as the cause of all the problems even less should we regard technology as the only cause. Comrade Deng Xiaoping pointed out: "Some people in the world have said that technology determines everything. We should not blindly believe this idea." ("Selected Works of Deng Xiaoping," p 74)

However, the above-mentioned two aspects of the contents of contemporary Western social theories are closely linked with each other and interwoven. Therefore, when we assess these theories, we should apply the doctrine that everything has two aspects and should not think that a thing has only one aspect. In other words, we should not regard them all as evil theories to negate, nor should we regard them all as truth to accept without reserve. We must adhere to the Marxist principle of seeking truth from facts and making specific analysis. We should refer to and absorb valuable ideological materials provided by them and also expose their erroneous ideological tendency of the "theory that technology determines everything" and make a clear demarcation line between Marxism and them.

At the National Conference of Party Delegates, Comrade Deng Xiaoping called on us to study Marxist theory, probe, on the basis of the basic principles and methods of Marxism and in the light of the changes in reality, into the way to solve new basic political, economic, social and cultural problems, and thus develop Marxist theory itself. Obviously, it is also one of our magnificent tasks to analyze and evaluate under the guidance of Marxist theory and in a truth-seeking manner the contemporary Western social theories that have emerged owing to the new technological revolution and to correctly answer the various questions put forth by these theories.

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A GREAT WILD GOOSE WINGING ACROSS THE VAST WORLD--A PORTRAIT OF THE CELEBRATED TENOR WU YANZE

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 36-38

[Article by Zhao Ruitai [6392 3843 3141] and Lu Baixing [7120 2672 5281]]

[Text] The outstanding singing artistry of Wu Yanze [0702 7159 3419] is greatly appreciated by vast audiences within the nation. People praise him as the "Chinese-style tenor we have long hoped for," as "the pride of our nation's vocal music," and "an 'engineering soldier' opening a passage for schools of Chinese national style." His beautiful voice has also been highly praised by audiences and experts in many countries. In Pyongyang, Korea, he performed "Sing! Wanjingtai Junction" and drew thunderous applause from the whole hall. President Kim Il-song also excitedly stood up and applauded him. In Japan, his performance of a Japanese folk song had everybody spontaneously standing up and dancing for joy. In the famous music center of Milan, Italy, audiences are universally recognized as having the highest level of musical appreciation in the world. When they heard Wu Yanze sing "O, Sole Mio" in Italian, the whole auditorium broke into wild applause. The people were shouting "bravo" and were throwing flowers to this singer from China.

Through 20-plus years of diligent study and practice, Wu Yanze has finally developed a school of his own in the field of musical artistry and has become famous within China and abroad. However, what has caused him to be even more welcomed and even more praised by the vast masses is that he unselfishly gives his art to the people, that he has a sincere feeling for maintaining flesh and blood ties with the masses, and that he has a strong, conscious sense of mission in regard to the music of the times.

Artists Must Have a Noble Sense of Social Responsibility

At one time, Hong Kong and Taiwanese songs and copies of them were all the rage. Wu Yanze did not follow this trend. A strong sense of responsibility drove him to painstakingly choose a number of healthy songs which also had a high degree of artistry, and he arranged a solo concert in Wuhan.

On his recital program were "Our Leader Mao Zedong," "Holding Red Dates and Thinking of Zhou Enlai," and other such revolutionary tunes; "Night on the Grasslands," "Rafting on the Qing Jiang," and similar folk tunes; and

"Golden Shuttles and Silver Shuttles," "A Toasting Song," and other outstanding creative works. There were "Three Carts," "Serenade," and other famous foreign songs. The final item was "If There Was No Communist Party, There Would Be No New China." There were no songs like "do not pick flowers by the side of the road."

As soon as the program was printed, there were all sorts of comments: "What age is it? Still singing these sort of songs!" and "Old Wu is already a famous singer both in China and abroad. If by chance he is 'booed' off the stage this time by the audience, he will be taking a chance with his reputation!"

At that time, being "booed" off the stage was a real possibility. However, Wu Yanze's response was firm and unwavering, and he replied: "Even if people 'boo,' I will still sing. In fact, I will sing with even more assurance!" The theater manager supported him in this.

The solo concert went ahead on schedule. Every song he sang brought round after round of thunderous applause from the 1,500 listeners in the theater. In this wave after wave of mounting applause, Wu Yanze heard the ardent expectations for and warm calls to literature and art workers by the times and the people. He truly wished to leap off the stage and firmly embrace the ardent listeners. And the vast audience? From the songs which Wu Yanze fully imbued with true feeling, they saw a great wild goose flying high, progressing forward with the times, pressing ahead with indomitable spirit. The people could not help but exclaim in praise: Old Wu is truly our own singer!

The masses' enthusiasm more firmly encouraged his pursuit and his faith. After this, he took this program and went to Hunan, Fujian, Guangxi, Shanghai, Tianjin, and Beijing to perform it. He accepted invitations to participate in performances; however, he did not drift with the current, but persisted in performing healthy songs. At one time, he was performing a solo concert in the Shanghai Music Hall. After listening to his performance, the music hall workers exclaimed that when Wu Yanze performs, his offstage actions are also very good. It is not like at some other performances where performers would be whistling loudly offstage, knocking chairs around, yelling, and making a racket. Facts have shown that in one's practice, what is only an inch onstage becomes a foot offstage. If a performer's stage manner is good, people will expect much of him. These workers specially presented Wu Yanze with a horizontal board, inscribed with the characters "The Voice of the Wild Goose Shakes the Seas."

Artists Must Treasure Their Own Value

In the last few years, among some people the "new" value concept of "seeking money in everything" has become prevalent. This wind has also blown into the hearts of some "spiritual engineers." Wu Yanze has undergone the tests provided by this wind. He used words of self-exhortation, saying: "A spiritual engineer for mankind must conduct himself with dignity!"

The Spring Festival is the golden time for literature and art performances, and the rewards are also usually quite rich. But Wu Yanze's ideas are not like this. One year at the Spring Festival he happened to accept an invitation of some woodcutting workers. He traveled a great distance to perform for the masses in Daxing and Anling in the northeast. Once he provisionally accepted an invitation and flew to a particular city for a concert evening. When he was making pre-performance preparations backstage, he heard some people arguing nonstop about the pay they were to receive for performing. On hearing this, Wu was very angry. He immediately changed out of his performing clothes and, even though it was night, he went to buy an air ticket home. After the event, some people complained to him, saying that he did not understand human feelings. He sternly replied: "Perhaps I should not have cancelled the performance, but when I saw that scene I felt an unspeakable pain in my heart. If an artist does not treasure his own value and places too much stress on money, it will destroy art and human dignity will be lost!"

According to regulations, performance should be appropriately rewarded. However, he often refuses to accept even a reasonable reward. He often gives voluntary lectures for singers and music lovers and does not accept a cent. Sometimes people try to force money on him, but he firmly declines. As a singer who has already achieved a name, Wu Yanze realizes that glory is given by the party and the people and that it means that he must shoulder greater obligations and responsibilities than ordinary people. He has never used his reputation to achieve private gains; still less has he had a craving to "modernize" his small home. His home is as simple and unadorned as those of his many comrades in the theater. One comrade who has been to his home said: "Apart from a piano in one corner of the house, his house is unlike that of someone who is a celebrated singer both in China and abroad!"

Artists Should Always Think of the People

Wu Yanze once went to see off a Japanese guest who was leaving by ship, and several sailors and travelers asked him to sing. He stood up and sang. The Japanese guest was very startled and praised him, saying that in other countries first-rate singers like Wu Yanze certainly would not just get up and perform off-the-cuff in front of people. Chinese artists were certainly one with the masses, which was truly extraordinary!

Actually, events like this are quite ordinary for Wu Yanze. When he is traveling, he often sings a few songs for travelers on the train or boat. When he goes to the market to buy vegetables, goes to the post office to pick up a package, or visits a factory, he often sings for the masses. The masses all say that he never puts on airs. Wu Yanze sincerely says: "I am a singer of the people and do not feel that I have any airs to put on."

A handicapped young person from Hengyang in Hunan had studied music by himself through indomitable willpower and had written two songs praising new life. He contacted some singers, but some would not waste their time and others would not open their mouths other than for money. Later, he thought of Wu Yanze and with the thought of giving things a try, asked his sister to take the song scores to Wuhan. After Wu Yanze heard them, he was deeply moved and he immediately said: "However busy I may be, I still want to sing these songs. And I certainly will sing them well. Ask him to relax!" Wu Yanze practiced hard on these songs which had been written by this "nobody" he had never met and used his own tape to tape them. He also taped some warm words of encouragement for the writer and personally sent them back to him. On hearing his own composition being performed by the famous singer Wu Yanze in such a moving way, this strong young man who had spent many years struggling with his serious illness, broke down into tears. He wrote a letter to a newspaper, expressing his gratitude to Wu Yanze.

What was even more moving was a performance he gave for some young persons who had taken a wrong step in life. In May 1984, Wu Yanze went to a juvenile offenders' reformatory to give a performance. When he went up onto the stage, he saw all the young faces from which the childishness had not yet gone and his heart immediately tightened. After a long time, choked with tears, he said: "My beloved friends, my brothers and sisters!...." These young people who had taken a wrong step in life really did not think that a famous singer would address them so intimately, and immediately the whole hall broke into sustained applause!

Wu Yanze continued, saying: "Your parents all hope that you will become people of use to society. You have come here and they are so grieved! Perhaps at this moment they are at home thinking about you, longing for you to quickly come back! Please listen to a song!"

Then, eyes brimming with tears and with deep feeling, he sang "Momma, oh Momma. My beloved Momma. You weaned me on your sweet milk and brought me up. Now I am grown. How can I repay you..." This moving song was like a fresh stream flowing into the children's dried hearts. They listened and listened and quietly began to sob. Many of the children could not bear it and burst into wailing tears! They separately ran up to Wu Yanze and embraced him, saying that they would certainly and sincerely mend their ways and they would not disappoint Uncle Wu in his hopes for them. Later, when some of the children left the reformatory, they specially went to see Uncle Wu to tell him of their thoughts and to thank him for his help.

People need art, but art needs people even more. The reason Wu Yanze does not strive for fame or for private interests and why he does all he can to contribute all his art to the people is because he deeply recognizes that his art was given by the people. If he had divorced himself from nurturing the party and the people, how could Wu Yanze be where he is today!

Wu Yanze was born into a poor doctor's family in Boshan County, Shandong. His parents both died when he was young and the family was in great difficulties. After liberation, he finished middle school with the assistance of a people's grant-in-aid. It was thus the socialist system which allowed this poor child from the mountains to stride forward and become our nation's most famous singer. From school, he went to work. How many people did their best in training him; how many people warmly concerned themselves for him, helped him, and supported him--even he cannot put a figure on it. He clearly understands that it was the milk of the people which nurtured him and which allowed him to become a famous singer. His art is not an individual's art, but the art of the people. He does not have the right to put out his hand to the party or the people asking for unreasonable fees. For him, offering his abilities to the people is very natural indeed!

In his heart, Wu Yanze firmly remembers Comrade Deng Xiaoping's earnest instructions: "The people are the mother of literature and art workers. The artistic fate of all progressive literature and art workers is in having a flesh-and-blood relationship between themselves and the people. If this relationship is forgotten, overlooked, or severed, their artistic fate will be dry and devoid of inspiration." In his thoughts, Wu Yanze trusted these words without wavering, and in his deeds, he adhered to them without swerving.

In August 1985, Wu Yanze was appointed as head of the Wuhan Institute of Song, Dance, and Drama. Not long after he took up his post, he took a small art group to perform in the old Hunan-West Hubei soviet area. At this time were the two major festivities of the "mid-autumn festival" and "national day," and the people of the old soviet area banged gongs and drums as if they were welcoming relatives and crowded the road to welcome Wu Yanze and his group. The small group sang songs of the times, expressing the people's feelings. They were unprecedentedly well received by the masses there. If one performance a day was insufficient, then they would put on two or three. Some people watched five performances. Wu Yanze, who was group leader, artistic director, and performer, fell sick through fatigue when in the village and the people of the old soviet area sent him flowers. After Wu Yanze had been given an intravenous drip, he continued with the performances. Between performances, Wu Yanze never forgot to suck the sweet milk of mother earth. He led the group members to view the revolutionary history museum and to pay their respects at the martyr's cemetery. They also followed in the footsteps of the Honghu Red Guards and received the baptism of revolutionary tradition. Facing this glorious land and people, Wu Yanze and the members of the group he led gained a further understanding of their responsibilities. The performances they gave subsequent to this were brimming with even greater fervor.

In artistic practice, Wu Yanze has come to clearly recognize that Chinese artists, who bear the arduous responsibility of building socialist spiritual civilization, must be equipped with both a noble ideological plane and a superior artistic level and at the same time must have a conscious sense of mission of the times. Only thus will they be able to fully bring their artistic skills into full play and only thus will they be able to keep pace with the times and be welcomed by the people. We happily note that in the wide world of serving the masses, Wu Yanze, this strong and vigorous great wild goose, is flying higher, higher....

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REFORM MUST MEET THE NEED TO DEVELOP THE SOCIALIST COMMODITY ECONOMY

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[Article by Zhang Zhuoyuan [1728 0587 0337]; first paragraph is RED FLAG introduction]

[Text] Editor's note: Premier Zhao Ziyang's report on the Seventh 5-Year Plan at the Fourth Session of the Sixth National People's Congress pointed out that in order to fulfill the tasks of reform of the economic structure during the Seventh 5-Year Plan period it is necessary to have full understanding of the following: 1) That reform of the economic structure must meet the need to develop the socialist commodity economy; 2) the difficult and complex nature of the transition from the old to the new structure; 3) the importance in the reform to care for both current interests and long-term interests and partial interests and whole interests; 4) the urgent demand imposed on the enterprises by the new situation of the reform; 5) the importance of government organs changing their management functions and improving their work style; and 6) the promotional and assuring role of strengthening the enforcement of the law vis-a-vis the reform. In the course of the cadres' theoretical studies and learning about the policy situation, these six points of "full understanding" should be treated as the major points and should be studied intensively and thoroughly by integrating theory and practice. In order to help the readers to deepen their understanding, we shall continue the exposition of these "six full understandings" in this article and subsequent articles.

The "Decision of the CPC Central Committee on Reform of the Economic Structure" clearly points out: Socialist economy is a planned commodity economy based on the public ownership system. This is the theoretical conclusion we have derived from studying and summing up the experiences in socialist construction both inside the country and abroad after having gained a full understanding of the nature and special features of socialist economy. This has pointed out to us the correct direction for our reform of the traditional economic structure and for establishing a new pattern for the economic structure. Premier Zhao Ziyang's advocation in his report that reform of the economic structure must meet the need to develop the socialist commodity economy manifested the conclusion and correct direction of this theory.

Attaching Importance to or Rejecting Commodity Monetary Relations Are the Respective Basic Hallmarks of the New and Old Economic Structure

Traditional economic theories have always placed socialist planned economy and commodity economy in opposition and taken the law of value as an alien force. On the basis of this theory, many socialist countries have set up an economic management structure which is highly centralized, relies mainly on administrative control, and rejects the use of commodity monetary relations. For a prolonged period, this has even been considered as the only workable form of a socialist economy. However, through several decades of actual practice, people have increasingly felt that this management structure does not fully comply with the objective laws of socialist economic development, has various drawbacks as specially and clearly manifested in the entirety of socioeconomic activities lacking life and vitality, and is responsible for low and poor economic results. This is because rejecting commodity monetary relations and refusing to admit enterprises are relatively independent commodity producers and operators and making all economic activities almost wholly abiding by orders from leadership organs at the higher levels, particularly the directives of planning organs, quite naturally have depressed the enthusiasm of the tens of thousands of enterprises and tens of millions of workers and made the social economy unable to operate in a lively and flexible way. At the same time, without going through the market as the nucleus, it would be difficult to understand the needs and the changes in demand on the part of society and consumers. Poor information and news will frequently make the plan depart from reality and the goods become unmarketable. This will cause a large accumulation of products on the one hand and a shortage of many kinds of goods on the other hand, thereby causing an imbalance in proportion and waste in social labor power. Therefore, when a socialist economy has developed to a definite stage, particularly when the social economy demands attaching greater importance to enhancing effects and maintaining flexible operations, the demand necessarily arises for reforming the overcentralized economic structure. The main content of this kind of reform is the ability to fully utilize commodity monetary relationships and the market mechanism to improve our economic organization and management work. Since the 3d Plenary Session of the 11th CPC Central Committee, a series of highly effective policy decisions of the party Central Committee on reform of the economic structure have been made on the full understanding that a socialist planned economy must vigorously develop commodity production and commodity exchange, that it must better utilize the market mechanism and regulation by market mechanism, and that we must firmly abandon the concepts of natural economy or seminatural economy which have placed planned economy and commodity economy in antithesis to each other.

The recognition of socialist economy as a planned commodity economy is a big leap forward in the understanding of the nature of a socialist economy. This is because such an understanding not only recognizes the existence of commodity monetary relations in a socialist economy, but also definitely affirms that a socialist economy is still a commodity economy seen from its structure as a whole. In the past, even people who believed that only the coexistence of the two forms of public ownership system could denote the objective certainty of the existence of socialist commodity relations and people who opposed the vigorous development of socialist commodity production and commodity exchange could generally admit the existence of commodity monetary relations in a socialist economy, even though they would not admit that a socialist economy is a kind of commodity economy. There were also people who supported searching for the causes of the existence of commodity relations in a socialist economy under the system of ownership by the whole people, but they would not agree that a socialist market structure should include a currency market, a technology market, and so forth. This in reality was a refutation of a socialist economy being generally viewed as a sort of commodity economy. In contrast with this, to definitely take a socialist economy as a sort of commodity economy implies the admission that by far the greatest proportion of the economic activities of the whole society must be carried out by means of commodity monetary relationships. For example, industrial and agricultural products, aside from a small portion (less than 10 percent in the case of industrial products and around one-third in the case of agricultural products) for self-use, all have to be taken as commodities which must go through the circulation process; moreover, following the progress in technology and development in production and a rise in the specialized and socialized level, the commodity rate of industrial and agricultural products, particularly agricultural products, will be further enhanced. Developing the socialist economy is tantamount to developing the socialist commodity economy and thoroughly removing the shackles of a natural economy. A planned organization, regulation, and control of socioeconomic activities is tantamount to planned organization, regulation, and control of the activities of a commodity economy; enterprises, in their capacity as cells of a socialist economy, relatively speaking, are all independent commodity producers and dealers or operators carrying out independent accounting and autonomous operations and assuming sole responsibility for their own profits or losses. A socialist economy principally takes advantage of the lateral flow of information between enterprises and market forces to coordinate economic movements. There is respect for the principle of exchange at equal value in developing lateral economic relations. The market mechanism as an internal mechanism of a socialist economy will play an increasingly important role. These are just some examples.

An intensified understanding of the status and role of commodity monetary relations in a socialist economy will further clarify the guiding thoughts in our enforcement of the reform of the economic structure, raise everybody's consciousness in joining the current of reform, and thereby advance our country's socialist modernization program.

Attaching Importance to Circulation and Fully Bringing the Role of Market Mechanism Into Full Play

Since a socialist economy is also a commodity economy and commodities are products which are subject to exchange and circulation, then circulation plays an exceedingly important role in socioeconomic life. Society's conscious planning, adjustment, and regulation of production and economic life as a whole all the more cannot be separated from rationally organizing the circulation process or from utilization of the market mechanism. They will require the use of the principle of exchange at equal value to adjust and regulate the economic interests on various sides. Following the state's control over the enterprises gradually shifting from direct control to principally indirect control, the state will increase its use of the law of value and price levers; in other words, it will use the guidance functions of the market and circulation to realize the planned and proportionate development of social production and to achieve the rational distribution of social labor and the effective allocation of resources among the various departments of the national economy. In invigorating the economy, first we invigorate circulation and the market. In the operation of a socialist economy, in order to bring about a benign cycle, speed up the turnover of funds, and enhance their efficiency rate in use, it is necessary to start by properly and well organizing socialist circulation. Any commodity producer or entrepreneur, or even the whole national economy, will find it exceedingly important for the flow of commodities to be smooth, for the raw materials, fuels, and so forth needed in commodity production to be procured normally and readily, for the prices to be appropriate, for the products to be speedily marketed, and for more profits to be earned. Some time ago, certain rural areas were found to have problems of "difficulties in buying and selling," adversely affecting the development of production and causing waste in social labor. This illustrates the important status and role of the circulation process in developing a commodity economy.

In line with the progress of the reform of the economic structure and following our national economy gradually shifting to the track of a planned commodity economy, we should attach all the more importance to circulation, strengthen our research on the problems of circulation, reform the circulation structure, and solve the problem of stagnant circulation, so as to push forward the smooth progress of socialist modernization and construction.

Actual practice in the reform of our country's economic structure has brought to the fore the question of circulation. Our study of socialist circulation theory has obviously lagged behind the actual practice in reform and construction. For example, for a long time our economic scholastic circles have failed to make a good study of the scope of funds and have not made any intensive study or analysis of the rotation and turnover of the funds of socialist enterprises. Comparatively speaking, they have attached importance to studying the effects of labor consumption and frequently neglected to study the effects of the possession and use of funds. In fact, at times, seeking the benefits of funds was considered a deviation from the classical line. For many years we have considered the role and sphere of the market mechanism as being extremely narrow. At first we recognized only the existence of consumer goods market. This was subsequently followed by recognition of the existence of a market for the means of production, while studies on a socialist market system, which includes a currency market and technology market, have only made a start. Up to now, regarding the rational limits for the current volume of currency circulation in our country, we have not yet advanced any theoretical propositions that are convincing and can stand the test of actual practice. Furthermore, as for how to cleverly and in a coordinated manner carry out a monetary policy, financial policy, foreign trade policy, and policy in regard to the individual's income, so as to coordinate and control macroeconomic proportions, is still a new problem for investigation. The low efficiency rate of our country's economic activities may be ascribed to the backward state of our country's tertiary industry, particularly its subsidiary trades such as finance, insurance, information, technical counselling, and so forth. In turn, this is closely related to people's attaching little importance to circulation and to our as yet overly weak studies on the socialist circulation process.

The decision of the CPC Central Committee is that the reform of the economic structure during the Seventh 5-Year Plan period should principally be developed along the following three lines: 1) Further strengthening the vitality of the enterprises, particularly the large and medium-sized enterprises under the system of ownership by the whole people, enabling them to truly become socialist commodity producers and operators which are relatively independent economic entities, able to operate autonomously, and solely responsible for their own profits and losses; 2) further developing the socialist commodity markets and gradually perfecting the market system; and 3) the state's management of the enterprises gradually shifting from principally direct control to principally indirect control and setting up a new socialist macroeconomic control system. The reforms in these three directions are mutually related. Based on the experiences gained from actual practices over many years in expanding the decisionmaking power of the enterprises and in order to further promote the reform of the economic structure, the framework for the new structure should be set up, gradually reaching the stage in which the new structure will perform a leading role in the various sectors. Next year and year after next, the major jobs should revolve around the theme of making the enterprises fully enforce independent business accounting and autonomous operations, be solely responsible for their own profits and losses, and become capable generally under conditions of equality of creating conditions for carrying out the reform. Of the reforms, the most important are to duly display the role of the market mechanism and set up and improve a socialist market system. Originally our country was one in which commodity economy was extremely undeveloped. Development of the markets has been in a very unhealthy and weak state. Moreover, due to the demarcation of spheres of influence between the departments and regions and the regions generally enforcing a closed-door policy, a socialist united market has not been really established well. But in the absence of a relatively fully developed and perfect unified market, enterprises cannot compete under the same market conditions and thus the phenomenon of unequal fortunes due to different conditions or circumstances has been relatively prevalent among the enterprises. Thus, it is not possible to talk about truly invigorating the enterprises and making them solely responsible for their own profits and losses and it is also difficult to carry out the theme of macroeconomy shifting from principally direct control to principally indirect control.

A Socialist Commodity Economy Must Achieve Coordinated Development Under Macroeconomic Control

If we want to reform the economic structure in accordance with the need to develop a socialist commmdity economy, it is necessary to grasp well the control through the use of economic parameters (particularly interest rate and exchange rate).

Certain economically developed countries have frequently employed financial and monetary policies as the chief weapons in macroeconomic control. In this connection, many experiences may be cited. For example, the following may be mentioned: Through lowering the interest rate and liberalizing credits and loans, investment and economic growth can be stimulated, while by raising the interest rate and tightening the money market, the overly rapid growth of investment and demand can be checked; strict control over the volume of supply of money is employed to counter monetary inflation and to control the rise in the general level of commodity prices; through increasing financial expenditures, reducing taxes, and providing subsidies, demand and economic development can be stimulated, while retrenchment in financial outlay and realizing a balanced budget or a budget surplus can check the overgrowth in demand, and so on. All of the above are well worth our studying and copying, because they reflect the internal regulatory character of the workings of a highly socialized commodity economy. We should also attach importance to the functions of financial and monetary policies and to their regulation mechanism and realize an overall balance in finance, credit and loan, foreign exchange, and material resources. In particular, we should rectify the long-standing practice of the finance department unconditionally making overdrafts from banks (since this can make the monetary policy become subordinated to the financial policy and may bring about currency inflation in the event of the budget being in the red). We should also rectify the practice of generally treating the loan and credit balances as the basis for issuing more banknotes and overcome the drawbacks of financial overallocation and credit inflation arising therefrom. According to the experiences in economic development in our country over many years, to achieve an effective control of the macroeconomy it is necessary to adopt for a length of time a tightened financial policy and achieve a balanced budget so as to do a good job in checking the overgrowth of the social gross demand. In particular, our country does not have a developed currency market and we have to frequently rely on issuing more banknotes to meet red figures in the state budget, thus easily leading to currency inflation. As for the currency policy, it may be determined according to the concrete conditions. It may be tightened a little in the event of the demand being generally inflated, but in order to stimulate a growth in the social gross demand and to enliven the national economy, it may be liberalized a little. The central bank may, by means of lowering the rediscount rate, cause a drop in the general level of interest rates and increase the supply of money. In short, if only we can gradually grasp the internal laws of the workings of the commodity economy and are skilled in the use of financial and currency policies and in coordinating them with other policies such as foreign trade policy, income distribution policy, and so forth, we can integrate well the liberalization of the microeconomy and restriction of the macroeconomy, toward the goal of generally putting the socialist commodity economy onto the path of planned development and avoiding the state of anarchism and the recurring economic crises of a capitalist commodity economy.

The macroeconomic control enforced by socialist states over the development of the commodity economy should also include such contents as enforcing the principle of distribution according to work in the allocation of income and of generally taking the road of effecting affluence for all. The development of commodity relations not only signifies the existence of economic disparity but also naturally widens the economic disparity. This is the natural result generated by the law of value in commodity production. Development of a socialist commodity economy will naturally make a portion of the people become rich before others. Concurrently, it is necessary for us to adopt an appropriate policy and measures to prevent the phenomenon of dissension among the classes of people. However, we cannot resort to restricting the growth of the commodity economy for the purpose of arresting the widening of economic disparity, such as taking measures of differential pricing and abolition of the conditions of competition on an equal footing. Rather, we should insist on setting up a unified market and on the principles of exchanges at equal value and balanced competition, and display the function of survival of the fittest of the law of value. Concurrently, it is necessary to adopt appropriate policies affecting the distribution of income such as salaries, wages and bonuses policy, taxation policy, and so forth, so as to appropriately adjust and regulate the workers' income level in different enterprises, departments, and regions. On the one hand, disparity should be recognized, and on the other hand income disparity should be controlled within a scope which reflects differences in the labor contributions and ensures that the socialist public ownership system occupies a dominant position in the national economy. By so doing, socialist commodity economy can attain even better development in the new structure, the enthusiasm of the working masses of the whole country can be fully aroused, and the intrinsic superior nature of the socialist economic system can be fully displayed.

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WHY IS IT THAT DEVELOPING LATERAL ECONOMIC ALLIANCES CAN ENHANCE SOCIAL ECONOMIC RESULTS AND PROMOTE THE REFORM OF THE ECONOMIC STRUCTURE?

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 43-45

[Article by Yi Jie [0001 0094]]

[Text] In the last few years, with the encouragement of urban economic structural reforms, there has been speedy development of various types of economic alliance between enterprises, regions, and industries. Because they conform with the demands of the objective patterns of modern socialized large-scale production and the socialist commodity economy, they play a strong promotional role in the improvement of social economic results, and the deepening of economic structural reforms. Seen first from the angle of improving social economic results, they have the following main advantages:

First, the development of lateral economic alliances will help in the specialized coordination and renewed combination of production factors within enterprises, regions, and departments, which will centralize their superiorities and form a new, stronger commodity production capacity. Marx said that cooperation could create new production forces. This is because through cooperation, it is possible to realize the combination of production factors in a greater range of space, so that latent superiorities on all sides can be brought into play, thereby greatly improving social economic results. There are great disparities in available resources, product structure, technical level and so on of the various enterprises, regions, and departments of our nation. Each has its own advantages and weak points. The strengthening of lateral economic relationships can build the superiorities and there can be mutual promotion. This will fully utilize the resources, equipment, technology and personnel forming a composite superiority. Thereby, results difficult to compare with production before the enterprises, regions, and departments linked up will be achieved. For example, the alliance of production enterprises can fully utilize factories, equipment, and personnel of enterprises participating in the alliance. The division of work can be coordinated and various component production and assembly activities can be engaged in. This will speedily expand the production of fine brand-name commodities which have a ready market. Alliances between enterprises and scientific research units can speed the popularization and application of scientific and technical results. This will spur on the technological progress of the enterprises and the overall national economy. Alliances between production and circulation enterprises can closely link production and demand so that goods can flow freely and better satisfy the needs of consumers.

Second, the development of lateral economic alliances will be of benefit in realizing the rationalization of enterprises' organizational and production structure and regional economic structures. The old system of divisions between departments and regions ensured that the enterprises, departments, and regions proceeded from narrow individual interests. They sought to be "small but complete" or "large and complete," and at the ground level there was duplicated production and construction, resulting in a great waste of social resources. The development of various types of lateral alliances between enterprises, and implementation of the division of work based on voluntary participation and mutual benefits, can develop strong points and avoid the weak points, and create production and sales systems which are rational and highly efficient. Some can also gradually mature into enterprise groups or enterprise blocs which have advanced technology and great force. This will effectively improve research into new techniques and new products, develop capabilities and also competitive capacity, both in domestic markets and abroad. If, between raw materials production areas and processing industry centers, between coastal areas and the hinterland, and between developed and backward areas, there is close cooperation with each supplying what the other needs, it will be of benefit to promoting the development and use of natural resources, and will improve the deployment of productive forces.

Third, developing lateral economic relationships can better bring into play the role of cities as economic centers, and achieve the common prosperity of the cities and the rural areas. Large and medium-size cities are production and circulation centers and scientific and cultural centers, and in economic development they play a guiding and pivotal role. However, the old system with the divisions between departments and regions turned cities into self-sealed systems. Their comprehensive functions were greatly restricted and it was difficult for them to bring their vigor into play. Opening the city gates and widely developing lateral relationships through using the cities' powerful economic and technological strengths, and through the export of funds, technology and personnel and the spread of information and products, will support and promote the development of the many surrounding villages, and the small towns and townships. In another respect, the opening of many circulation channels will also provide a wide sales market for urban industry and this will allow ample supply of the raw and semifinished materials needed by the enterprises, and the agricultural and sideline products needed by the people in their daily lives. This will play a strong promotional role in gradually establishing new-style economic regions and economic networks where urban and rural areas are combined and industry, agriculture and commerce see comprehensive development.

Developing lateral alliances also has great significance in promoting the deepening of economic structural reforms. In basic terms, our reforms are intended to sweep away the obstacles obstructing the development of a socialist planned commodity economy. This requires that enterprises must become commodity producers which are masters of their own operations and solely responsible for their own profits and losses. It also requires that there is an open, competitive market system which includes all types of production factors. None of this can be divorced from the full development of lateral economic alliances.

First, it will be of benefit to further strengthening enterprises' vigor and promoting the separation of administrative and enterprise functions. Under the original excessively centralized system, enterprises were appendages of administrative organs at various levels, and in production operation activities they were always subject to mandatory plans. Thus they were in a passive, powerless situation. Through horizontal economic alliances, the enterprises have voluntarily joined different types of economic alliances, gradually reducing their excessive reliance on government departments for the allocation of materials and investments. The administrative jurisdiction relationship has been weakened and the enterprises' independence and autonomy has been increased. At the same time, government departments at various levels can no longer arbitrarily interfere administratively in the economic alliance, as they did in the past. Thus, they have changed their function to management of trade and doing well in guidance, supervision and service. If things develop thus, it will be possible to finally cut the "umbilical cord" by which enterprises are attached to administrative departments. In this way, the relationship between enterprises and government departments at various levels will change into a relationship of registration and payment of taxes in accordance with the law. Enterprises will then become socialist commodity producers and operators worthy of the name, will truly have autonomy to control their operations and management and will acquire an abundance of motivation and vigor. Within the lateral alliances, the enterprises, through the mutual investment of all sorts of production factors, will form a structure where "you have mine and I have yours" and thus establish an inevitably mutually conditioning relationship. This will help in overcoming the tendency whereby some enterprises place excessive stress on immediate interests and do not pay attention to internal accumulation. This will truly promote the further perfection of socialist ownership.

Second, it will be of benefit in breaking down divisional barriers between departments and regions and in speedily forming a unified, open socialist market system. In the old system, the economy was managed through the vertical administrative system of departments and regions, which artificially carved the socialist market apart. Thus, commodities, funds, technology information, labor and other productive factors could not flow smoothly or rationally, and it was extremely difficult for the market mechanism to function normally. This resulted in ossified economic life and low efficiency. The development of lateral relationships which stretch across departments and regions will break down administrative barriers between departments and regions, and enable the various production factors to flow faster through economically rational channels, or to be reorganized. This will gradually form a unified but open socialist market system including consumer goods, the means of production, funds and technology. This will provide a wide arena for bringing enterprises' vigor into play and developing competition where the superior succeed and the inferior are eliminated.

Finally, in the process of promoting economic alliances, we must completely expose those aspects and links of the administrative system which are obstructing the development of the productive forces. This will assist in carrying out the coordinated reforms of the economic structure with definite goals in mind. Through developing lateral alliances and using the "ram and reflex" method, we can eliminate those problems in the planning system, the financial and tax systems, the banking system, the materials supply system, and in the commodity circulation system, which obstruct the alliance. Thus, we will be able to sweep a clear road for the great development of the socialist commodity economy, and continuously guide overall reform of the economic structure toward greater depth.

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WHY IS IT SAID THAT ECONOMIC RESULTS CAN BE BASICALLY IMPROVED ONLY BY PERFECTING THE SOCIALIST MARKET SYSTEM?

Beijing RED FLAG in Chinese No 10, 16 May 86 pp 45-46

[Article by Yu Houkang [0151 0624 1660]]

[Text] The socialist market system includes the consumer product market, the means of production market, the funds market and the technology market and is a market system which, under state planned guidance and management, has public ownership of the means of production as a base and the whole-people ownership economy as the dominant part and in which various forms of ownership and diverse operational forms exist together. Establishing and perfecting a socialist market system is an objective demand for developing the socialist commodity economy and a necessary requirement for basically improving enterprises and social economic results.

First, establishing and perfecting a socialist market system can fully develop commodity production and commodity exchange and increase the vigor of enterprises. As enterprises are relatively independent socialist producers and operators responsible for their own operations and their own profits and losses, their production and operational activities cannot be divorced from the market. This is especially so in the situation where the state is further reducing the number and amounts of products subject to unified allocation and transfer and the role of the market is increasing. Whether circulation channels are unimpeded, whether market information feedback is sensitive, whether the raw materials, funds and technology needed in production can be obtained in a timely way and so on are all decisive in whether the scale of enterprises production operations and their economic results are high or low. In the former situation where there were divisions between departments and regions and there were mutual blockades, because circulation channels were blocked and information was not sensitive, it often gave rise to the phenomena of one area stockpiling a product while other areas lacked it, where one area had trouble selling a product and other areas had trouble buying it. This affected the vigor and economic results of enterprises. Perfecting a socialist market system can break through the divisions and blockades between departments and regions so that there is an open situation between cities and rural areas and between regions, and so that commodities, funds, technology, information and personnel can flow rationally, thereby strengthening the production and operational vigor of enterprises. A socialist commodity market is also competitive. In a competitive market the various enterprises, in order to ensure that they get into a beneficial position, must put all their efforts into improving production technology and operations management, must improve efficiency, reduce costs, improve quality, increase varieties and types [of products] and strive to accord with the diverse, ever-changing social needs. In this way, it will be possible to both improve the economic results of enterprises and also promote technological progress and increase social wealth.

Second, establishing and perfecting a socialist market system will be of assistance in developing horizontal economic relationships, in improving the economic structure and in regional deployment. Developing commodity production and commodity exchange requires horizontal economic relationships. Under commodity economy conditions, the horizontal economic relationships between regions, between departments and between enterprises are carried on through the market. The establishment and perfection of a socialist market system will play a great promotional role in strengthening horizontal economic relationships between urban and rural areas, between regions, between departments and between enterprises. This is especially so of carrying out cooperation and alliances to different degrees and in different ways across departments, across regions and across trades in accordance with the principles of stressing strong points and avoiding weak points, mutual benefits and common development. This will allow production factors to be joined up and used in the best ways and will be of benefit in the rationalization of the economic structure and regional deployment, thus promoting the socialization of production. As an alliance is a rearrangement of production factors, it requires a flow of commodities, funds, information, personnel and technology. Only by continually expanding the consumer products market and the means of production market, gradually opening up and establishing fund markets and technology markets and promoting the rational flow of labor will it be possible to accord with these requirements.

Third, establishing and perfecting a socialist market system will also be of benefit in state planned guidance and macroeconomic regulation. The more enlivened the economy, the more important it is to pay attention to planned guidance and macroeconomic regulation, to linking up enterprises' motivation and enthusiasm for production operations with overall national economic interests, and to achieving a situation where major matters are managed tightly and well and in minor matters there is freedom and vigor. State management of enterprises is gradually changing from mainly direct control to mainly indirect control, and the various economic levers for planned guidance and macroeconomic control are being used in accordance with the law of value. Only by establishing and perfecting the socialist market system will it be possible to effectively use economic levers to transfer the requirements of macroeconomic planning to enterprises, and at the same time have enterprises react sensitively to the information passed on by the economic levers. Pricing is an effective economic measure in macroeconomic control, but there is also the need for it to be coordinated with taxation, interest rates, wages and other economic measures. Thus, we not only need a consumer product market but also need a funds market, a technology market, and a rational flow of labor. Only thus will it be possible to have these economic levers really playing a regulatory role and will be able to realize the aim of improving economic results.

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ON 'THE HOME OF CADRES'

Beijing RED FLAG in Chinese No 10, 16 May 86 p 47

[Article by Jiang Yuan [3068 3104]]

[Text] Comrade Luo Ronghuan said when he was director of the Cadre Department of the Central Military Commission that the Cadre Department should be a "home of cadres." In those years, that was how things stood. The cadre departments at all levels were responsible not only for the appointment, transfer, and removal of cadres, but were also concerned with cadres' work and thinking. They even paid more attention to the latter, and took initiative to help cadres resolve many actual difficulties. It is a pity that the character of this "home" later changed. The continual political movements turned the cadre departments into the "frontline of class struggle." During the "Cultural Revolution," they were busy checking cadres' personal and family backgrounds and preparing materials for political purges. The cadre departments were so feared that cadres simply shunned mentioning them. As some people said, "If the cadre department tries to contact you, you must have got into trouble." So, no people still regarded the cadre departments as the "home of cadres."

In recent years, the cadre departments have done a great deal of work in redressing the wrongs done against many cadres and in implementing the party's policies toward cadres. They have been restoring their prestige among the cadres. However, in some units, people still stand in awe of the cadre departments, which remain rather bureaucratic in their work and do not act as the "home of cadres." Now, as there are no political movements, some comrades of the cadre departments are not so busy. They deal merely with the routine affairs of appointing cadres and assessing cadres' work, but they seem uninterested in taking good care of the cadres and showing concern for their work and lives. They do not take the initiative in helping cadres resolve their difficulties. Even when cadres come to seek their help, they still refuse to lend them a hand, but simply turn them away by using some high-flown words and affecting a high moral tone. Some people in the cadre departments even think that helping cadres resolve their actual difficulties will go against the party spirit and may be regarded as a kind of unhealthy tendency.

I once heard about a middle-aged cadre's complaint: I have too large a family to take care of. I have my old parents and children, and my wife is in poor health. So, I want to be transferred to a work post closer to my house so that I can more easily take care of my family. I have found a unit that is willing to give me a job, and my original unit is also willing to let me go. If I can be transferred to the new work post, that will be beneficial to both my personal interests and public interests. But the cadre department in charge does not approve this transfer. They told me: You are a cadre, so you should set strict demands on yourself. A lot of people also have difficulties in their lives! I have no other way but to go here and there to seek influential people for help. Saying this, this man's eyes were brimming with tears. Such cadre departments do not fulfill their duties, but they simply act as "doorkeepers" who close the front door and force people to go through the "back doors." Their attitude is completely unreasonable.

Of course, most comrades in charge of cadre affairs are willing to help cadres resolve their difficulties. However, some of these comrades are afraid of being criticized for "trying to set up connections and find favor with other people so as to gain selfish benefit." Such gossip is a fearful thing. So they simply refuse to help the cadres who need their help, and think that this may leave them a good reputation of "being able to maintain principles." However, they have thus confused the right and the wrong.

Some units that are now in urgent need of talents can easily find qualified people and attract them there as long as some actual problems are resolved properly. However, some leaders or departments in charge in the units in which many talented people want to quit or have been attracted to other units do not review and improve their own personnel work, but simply censure the cadres for "being easy to change their minds when seeing something new" and criticize other units for "cutting the ground from under their feet." This phenomenon is really lamentable.

It is true that the unhealthy tendencies are detestable, because they are harmful to the state and the people. However, when we take action to correct the unhealthy tendencies, it is necessary to draw a clear line of demarcation on some concrete issues. For example, we advocated in the past that our comrades who handle cadre affairs should "understand cadres, show concern for cadres, and help cadres." This was criticized and labeled "bourgeois humanitarianism" during the "Cultural Revolution." In fact, it represents the fine tradition of our party. All of our work should serve the purpose of arousing people's enthusiasm and initiative, and our work concerning cadres should also serve this purpose. The unhealthy tendencies in society are closely related to the incorrect party style. Bureaucratism is a main demonstration of the incorrect party style. So, overcoming bureaucratism is an indispensable part of our efforts to correct the unhealthy tendencies. If we do so, our cadre departments will again become the warm "home of cadres."

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UNHEALTHY TRENDS PRODUCE A NEW 'MAN FROM QI'--READING THE NOVEL 'DINNER GUEST'

Beijing RED FLAG in Chinese No 10, 16 May 86 p 48

[Book review by Lan Ling [5663 5044]; "Dinner Guest" was carried in YALUJIANG No 3, 1986]

[Text] China's food and drink is a culture. This culture also has creators (chefs) and admirers (diners). The skills of chefs vary from high to low. Those with the best skills are referred to as experts. They become NPC or CPPCC delegates and go down in history. The tastes of the diners also vary from high to low, and their number greatly exceeds the number of chefs. However, who has seen a person participate in an important meeting, with the qualification of diner? Likewise no histories have real-life accounts of diners.

When diners have entered chronicles, it has been through the pens of writers of books of anecdotes and stories, but these are much more interesting to read than the real-life accounts of chefs. In "The Gourmand" written by Lu Wenfu [7120 2429 1133], the influence of the image of the main character Zhu Zizhi is very strong. Recently, Sun Chunping [1327 2504 1627], as if making a special dish, in his novel "Dinner Guest" presents "a new gourmand" and provides the readers with new flavors. This "gourmand" is called A "C." As compared with A "Q," the shape of the letter "C" in his name is half a circle short and lacks a tail, but the base of his umbilical cord is linked to the "man from Qi" written about by Mencius. Calling him the "new man from Qi" is more appropriate than calling him the "new gourmand."

On the basis of my superficial knowledge, the dinner guest system can be divided into several levels. The largest level is that of the ordinary people. They cook something and eat it themselves. Thus, the one person has two functions. A higher level is the small number of connoisseurs. They are highly versed in food and drink matters, have an empathy with the chef and keenly appreciate his talents. The level which attracts most people's attention is that of those who have power and the upstarts. They seek delicacies from the mountains and the seas and sauces of jade and pearls so that they can satisfy themselves with rich foods, but more importantly so that they can display their extravagance. Like those warlords who could not even understand simple characters, but who flicked through string-bound ancient classics, these people are far removed from the culture of eating and drinking. The level most looked down upon by people is that which "eats for free," whose speciality is to go to people's places and loiter around the table where there are good things to eat, who eat when they get the chance and drink when the opportunity comes along. Thus, although they are stingy, they get enough to eat. In the rural areas, they call these people "meal chasers," and they have a status lower than that of beggars. In the cities, they are called "hangers-on," with a status between those of prostitutes and those who frequent them. Learning and using this crooked strategy is clearly not easy. First, it is necessary to be very thick-skinned and not to fear being mocked or insulted. Second, one must have very sensitive ears, so as to be able to hear which families are having weddings and funerals or are entertaining friends. Third, one must have a sharp nose, so that by standing next to a wall, one can tell what food is being prepared in the kitchen.

In the days when one had to support oneself, such gluttons would be "without sons or grandsons." Unexpectedly, in recent years, the unhealthy trend of large-scale eating and drinking has fostered a "new breed," of which A "C" is a representative. Talented people often say that talent develops through hard work, but also depends on opportunity. From my observations, it seems that low ruffians also must depend on "opportunity" to "gain fame and fortune." A "C," a purchasing agent for a supply and marketing department, lives in a newly developing seaside tourist city, and has no hopes of promotion. He has nothing much to do and is somewhat frustrated. He thinks of sneaking into the most luxurious hotel to expand his horizons. Unexpectedly, the people watching the door politely allow him in. Also, unexpectedly, he is warmly welcomed by the people hosting the banquet. Heaven provides good opportunities and one's mind then opens wide. After this, he sums up the "experiences" of going to the banquet and later, in freely going to all the major banquets, he clinks glasses with the leading cadres whom he has never met before. Who wants to examine the corruption of the unhealthy trends? One need only look at the "experiences" as summed up by A "C" to see that A "C" is a maggot produced by the unhealthy trends. If, at the various banquets, there were not the bureaucratic heads who have mouths but no eyes, there were not those who take charge of "making satisfactory arrangements," and there were not service personnel who try to get close to honored guests in order to seek private gains, then A "C" would only have been able to make a little profit at the agricultural trade market and would not have had the ability to move in such circles.

The "man from Qi" written about by Mencius always went out into the country to steal food and offerings to satisfy his craving for good food, and then would go home to his wife and concubine and boast. A "C" was initially happy to get something good to eat. But later, as he got used to the good things, "One who has enough to eat and drink tends to have wanton thoughts." Thus, he had fantasies about seducing the waitress Xiao Qin. Here, we can no longer compare him with his ancestor "the man from Qi." Who would have thought that Xiao Qin could be even more evil? She secretly found out all about A "C" and used him as a pawn, both achieving her aim of arousing her boyfriend and also giving A "C" quite a rebuff.

A "C" was rebuffed but he did not want to change. Rather, he spoke plausibly and at length, saying, "I have eaten for free this last 6 months or so. Never has there been a place set specially for me. Never did they have to add more food because I was there or did they have to reduce the food if I was not there... Do you think that the guest of honor is going to pay for this out of his own pocket?!" For A "C" these were confused words. However, the author takes these as an ending, looks at them from another angle and sees them as words of warning. Blocking an "outsider" like A "C" is easy, but the "insiders" who eat and drink for free are numerous and include the guests of honor. The intention of "Dinner Guest" is not to uncover A "C," but to reveal the "opportunities" which produce persons like A "C." Admittedly A "C" is carried away by eating, but from the lavish tables at which he was eating, did there come a delicious smell or a rotten stench? You do not really need environmental protection workers with precise instruments to answer this question.

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FOOTPRINTS OF EXPLORERS--A CRITICAL INTRODUCTION TO 'NEW LOOK FOR THE SHENZHEN SPECIAL ECONOMIC ZONE,' THE SHENZHEN VOLUME OF THE CHINESE URBAN REFORMS SERIES

Beijing RED FLAG in Chinese No 10, 16 May 86 inside back cover

[Article by Wu Xinli [0702 2450 0500]]

[Text] Shenzhen was the first special economic zone set up after our country implemented the open-door policy and it was also one of the first localities selected for carrying out reform of the economic structure in rural and urban areas. It is a city which has attracted the world's attention as well as the attention of all the people in our country. Many people at home and abroad are eager to have a further understanding about the city's situation and experience in reform. The book, "New Look for the Shenzhen Special Economic Zone" (hereinafter called "New Look") which is jointly edited by RED FLAG and Shenzhen city, can satisfy the people's desires in this respect.

"New Look" gives an overall account of the major changes in every aspect of Shenzhen. With various pictures and articles, the book tells about tremendous achievements in urban construction, industry, commerce, finance, agriculture, animal husbandry, the building trade, tourism, and other sectors. From these achievements, we will see how the people and cadres of the special economic zone have been exploring ways of building the special economic zone under the guidance of the policy: "Special ways for handling affairs of the special economic zones are new ways for handling new affairs. The stand remains unchanged, but the methods should be entirely new."

In the past, people's understanding of Shenzhen was often confined to the building of material civilization and not much was known about its building of spiritual civilization. However, energetically developing its culture and training people with a new mental attitude and ethical values are precisely important aspects of its experience in accelerating its construction, and are also important reasons why Shenzhen has been able to make such tremendous achievements in building material civilization. "New Look" has devoted much space to introducing Shenzhen's simultaneous development in material and spiritual civilization. It tells how many new trades and enterprises have grown out of nothing in the modernization of the special economic zone. It also relates a similar process in the development of its literature and art, physical culture, broadcasting, and television services, and how these undertakings have developed and flourished with the development of its commerce, industry, and agriculture, particularly through introducing its fishing villages, which are the most prosperous in the whole country, the book has shown us that the differences between workers and peasants, and the differences between town and country, are diminishing, and that entrepreneurs, good at managing enterprises, and various specialized people with talent are maturing.

"New Look" has used a large quantity of data and statistical figures to show the tremendous changes which have taken place in the past few years since the setting up of the special economic zone. The book also contains several hundred excellent color photos. The readers will find that this book very well fulfills both artistic and scientific requirements, and also gives a true picture of Shenzhen's achievements.

Shenzhen has embarked on the road to reform and opening to the outside world earlier than other cities. Without any experience which can be used as a reference, the people of Shenzhen have taken "a brave step forward" while exploring. This is of great significance. Blocks of buildings and factories have grown out of former barren beaches. This former poverty-stricken border town has developed into a modern city of considerable size. This fact alone demonstrates the tremendous achievements of reform. Of course, since the city has advanced while making exploration, there are found to be great difficulties and avoidable mistakes. However, many of their experiences and lessons are valuable to all the people of our country who are advancing along the broad road of reform. "New Look," as a factual record of the footprints of pioneers in reform, will arouse great interest in the broad masses of readers at home and abroad.

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China Report

RED FLAG

No 11, 1 JUNE 1986

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CHINA REPORT

RED FLAG

No 11, 1 JUNE 1986

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ACT ACCORDING TO LOCAL CONDITIONS

Beijing RED FLAG in Chinese No 11, 1 Jun 86 p 2

["Forum"]

[Text] We can see such a phenomenon: Since the 3d Plenum of the 11th CPC Central Committee, under the guidance of the same principles and policies laid down by the central leadership, some localities and units have vigorously advanced their work in all fields and have created a new situation and brought about remarkable changes, while some localities and units still fail to make major breakthroughs in their work, still fail to create a new situation, and the changes there are far from what people have expected. Of course, we should concretely analyze the reasons. As a subjective factor, this problem is definitely related to the fact that the leading cadres in those localities and units lack creativity in their work and cannot handle affairs in light of their local conditions. Ours is a big country with a large population. Conditions in various localities and units are greatly different. As a matter of course, conditions vary from one province to another, from one prefecture to another, from one county to another, from one township to another, from one village to another, from one department to another, from one enterprise to another, from one school to another, and from one institution to another. The policies of the central leadership only show the common orientation and general principles we should follow. It is impossible for the central authorities to concretely stipulate everything for all localities. When handling various affairs concerning reform, opening up, developing the commodity economy, implementing some specific policies, building spiritual civilization, consolidating the legal system, checking the unhealthy tendencies, or anything else, all localities and units must proceed from their local specific conditions and carry out the central principles and policies in a creative way. This is a concrete way to implement the principle of seeking truth from facts and is an important principle we must follow in order to successfully advance our work.

Some comrades also advocate the principle of seeking truth from facts and acting according to actual conditions, but they merely pay lip service to this principle and treat it as a cliche. When they handle concrete affairs, they still like to wait for and rely on concrete instructions from the upper authorities and do not pay attention to their local conditions. Sometimes, it is obvious that some reasonable measures can be taken to solve their local problems and these measures will certainly be in the interests of the state, the unit itself, and the people in this unit, but the unit leaders still do not dare to make a decision and still ask for approval and instructions from the upper leadership. It seems to them that only the "red-header" documents can ensure their safety. What do these comrades fear? It seems that they fear to undertake risks, fear to commit mistakes, fear to arouse people's resentment, and fear that the upper authorities may put blame on them. In fact, it is the most reliable and riskless way to handle affairs according to local conditions. What is wrong with adhering to a realistic attitude in our work? If our leading comrades can only carry out the central policies and the instructions from the upper authorities in a mechanical and rigid way for fear of committing mistakes and if they do not dare to take responsibility to handle concrete affairs in light of local conditions and merely pay lip service to the general principles, they have already committed a major mistake. Of course, it is also necessary to create a relaxed opinion environment. This is an objective factor. Party organizations, upper leading organs, and all social circles should encourage and support cadres' creative work and allow them to make some errors or deviations in their work. It is necessary to help cadres draw a lesson from their errors, but we must not recklessly censure them, exaggerate their mistakes, and rudely punish them. Cadres should be bolder in their work. They should dare to take measures in light of the local conditions as long as the measures will not adversely affect the national situation, even if the central authorities have not laid down clear stipulations on these matters. It is normal that there are different opinions. Our cadres must keep calm when hearing different opinions. We may meet such a strange phenomenon: Some cadres are chicken-hearted if they are required to handle some affairs in light of local conditions, and they are nervous when encountering different opinions and may flinch immediately. However, they may act boldly in taking various foul means to seek selfish gains under the excuse of their special conditions. When doing this, they may even disregard the central instructions and other units' criticisms and have no qualms about violating law and discipline. We should deal seriously with these cases. This will only help cadres really handle affairs according to local conditions rather than hinder them from doing so.

We should do a good job in making investigations and studies so as to accurately grasp the situation in all aspects. This is the basis for handling affairs according to local conditions, and is an effective method of preventing errors in our work. Leading cadres should not always stay in their offices, and should not merely rely on reading reports and ready-made materials. They should personally inspect the grass-roots units and directly talk with grass-roots cadres and the masses. Only thus can they find out about the real situation and the concrete methods of solving the major problems. This is certainly not an easy thing. It needs more efforts than saying cliches and relaying the instructions of the upper authorities. However, we must do so in order to prevent bureaucratism and to advance our work in a creative way.

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COMMUNIST EDUCATION MUST START WITH CHILDREN AND JUVENILES--COMMEMORATING 1 JUNE INTERNATIONAL CHILDREN'S DAY

Beijing RED FLAG in Chinese No 11, 1 Jun 86 pp 3-6

[Article by Hao Jianxiu [6787 1696 4423]]

[Text] Comrade Deng Xiaoping has pointed out: Communist education must start with young children and must be grasped in primary and middle schools. This important idea points out the theme and clearly indicates the direction of work with children and juveniles in our nation in the new period. On the occasion of 1 June International Children's Day, it is even more appropriate that we should study this directive.

I

The present children and juveniles are the generation which will span two centuries. If we are to build our nation into a modern socialist nation with a high degree of culture and democracy, it will require unremitting efforts from several generations. Whether or not our cause will have people to carry it on is an important matter related to national destiny and the future of the state. In a certain sense, all work that we do at present is, in the end, for the new generation. Children and juveniles are very malleable and the influences they receive affect them greatly. This is the golden age for receiving education. Thus, starting education in communism from childhood so that the children see overall moral, intellectual, physical and aesthetic development, and training them into a generation of new communist people who have ideals, morality, culture and discipline is a demand in speeding the building of the two civilizations and invigorating China, and an important task given to us by history.

The maturation of the later generations requires the nurturing of prior generations. What is pleasing is that in the past few years the whole party and the whole society has acted in accordance with the spirit of the directive of the party Central Committee on paying attention to the healthy growth of children and juveniles, and through efforts on many sides, they have ensured that very obvious achievements have been realized in the work of educating children and juveniles. Last year, the CYL and Young Pioneers, in response to the call by Comrade Deng Yingchao to "establish creative ideals, foster creative abilities and develop creative activities," carried out throughout the nation "creativity cup" and "study the heroes and build monuments" activities. This caused the hundreds of thousands of Young Pioneers to receive concrete, lively education in communism and, through this, new experiences in carrying out education in communism for children and juveniles in the new situation were gained. At the beginning of 1981, the CPC Central·Committee decided that the Women's Federation organizations take the nurturing, fostering and education of children and juveniles as a focal point in their work. Since that time, Women's Federation organizations at various levels have, with great enthusiasm and vigor, brought fully into play the special advantages of mass organizations, motivated strengths on all sides, coordinated the various relevant departments and carried out work in educating children in a thousand and one ways. This has resulted in nurseries in various rural areas seeing vigorous development while individually operated nursery organizations have seen swift development. This has alleviated the difficulties encountered in some large and medium-size cities in finding a nursery for one's child. Women's Federation organizations in various areas have also, through various channels, various levels and various forms, started nurseries and developed nursery and family education. In the training of children's teachers, they have done some beneficial exploration and, at the same time, they have relied on experts to carry out consultancy in terms of the scientific training of children. Various enthusiastic people of relevant departments and the various circles of society have actively collected funds for activities educating children and juveniles, and seriously summed up and provided experiences in children's education. All of these activities have promoted the lively development of education work for children and juveniles.

What has particularly inspired and stimulated people is that in the posts involved in the work of educating children and juveniles, there have appeared a large number of model persons who are worthy of commendation and study. Huang Xiuyi, the instructor of the Young Pioneers unit in the No 16 Primary School in Zhaoqing, Guangdong Province, spent 32 years in the education of juveniles. She used communist ideology to inspire the Young Pioneers and changed this unit which had a reputation of being a collection of "troublemakers," into one where 60 percent of the members are "three-good" students. In order to do well in Young Pioneer work, at 53 years old, she learned how to play the accordion and at 55 years old she learned how to play the violin. She wrote articles and material, totaling close to 2 million characters, on Young Pioneers, and in June last year, just days before she passed away, she wrote an article entitled "How To Use Music To Inspire the Intellects of Young Children." She has been praised as "a devoted soul in tying red scarves." Wang Xiafang, who was originally a cadre in the Propaganda Section of the Political Division of the PLA Engineers, joined the revolution in 1938 and is a disabled soldier, second class, division A. In 1952, he began after-school tutoring and was successively an after-school tutor for over 160 schools. He writes to, or is friends with, close to 10,000 young people. Through his patient and careful work, over 50 young people who had taken a wrong step in life became new people.

Of course, in no way does the list of those who have done very well in educating children and juveniles stop with the above two examples. There is also Pan Yuelan from Daxing County Primary School in Beijing who saved a child from under the wheels of a train and was severely injured and disabled as a result; Hua Yaiguo, the deputy head of Wadian School in Baoying County, Jiangsu, who is called "Mother Teacher"; Han Fengzhen, a Young Pioneer general instructor from Anyang city in Henan Province who is praised for "not seeking fame, not seeking benefit and being willing to be a flagstone on the road"; Jing Yanru who is praised as a "spiritual engineer" and who has been engaged in children's education for 60 years, and so on. These people have, in their different posts in the work of educating children and juveniles, written an educator's song of triumph which touches the bottom of one's heart.

II

In the last few years, although we have realized some great achievements in the work of educating children and juveniles, if we compare these to the demands put forward by the thriving development seen in the building of the two civilizations, we see that they far from meet the demands. The shortfall is particularly great in respect of providing the great numbers of children and juveniles with a basic education in communist ideology. Carrying out this work at present has more pressing and greater significance than it has had at any time in the past and, at the same time, we now have beneficial conditions for carrying it out.

In the process of implementing reform and opening up, our economic, cultural and educational fields have all seen unprecedented development and people's standard of living has seen continued improvement. This has laid down a solid material base for universal education and for developing preschool education and nurseries. Children today live in the environment far superior to that in the past. They have strong physiques, can study and progress and can look forward to a beautiful future. Following the deeper development of educational reforms, and the wider development of research into the science of education, the masses have gained a broader and deeper knowledge of the mental characteristics of children and juveniles and of education methods. This is undoubtedly a beneficial condition for the healthy development of children and juveniles. Only if we have proper education will millions of skilled people of every type continually appear at every level in the future.

However, in another respect, we should recognize that at present in society there exist many unhealthy tendencies. The idea of "seeking money in everything," the new idea of "studying is of no use," unhealthy magazines and reading materials, and low vulgar audio products are all, to different degrees, corrupting the souls of children. Many innocent and pure children and juveniles cannot bear the sight of the bad phenomena which exist in society. In October last year, a Young Pioneer from Yangcun School in Luoshe town, Wuxi, Jiangsu Province, with the spirit of responsibility of being a young master, wrote a letter to Comrade Chen Yun sharply criticizing the social habits of going in for ostentation and extravagance, parading wealth and being wasteful. At the beginning of this year, a Young Pioneer of the No 1 Primary School in Wenfeng, Anyang city, Henan Province, put forward the issue of "how young master should act...." These both reflect the discontent of children with the negative phenomena in life at present.

Another disadvantageous factor which causes people worry is that following the continual improvement of people's material and cultural lives, and the increase in only-children, the spoiling and pampering of these only-children by some families has caused these children to develop a "selfish mentality" with themselves at the center. Thus, they do not concern themselves with the collective, or with other people and they seek things just for themselves. They do not love labor and do not understand law or discipline. There have even been cases of law violations occurring. This shows sharply that strengthening education in communism for children and juveniles, continually strengthening their ability to resist the corrosion of decadent ideology, and guaranteeing their healthy development, is an arduous and pressing task placed in front of us.

III

In strengthening communist education for children and juveniles in the new situation, we must proceed from the most basic concepts and actions. The contents of education have different points of stress in different periods. Recently, the CYL central authorities and the national Young Pioneers work committee have grasped well three areas of education for children and juveniles: 1) Communist ideological education with education in patriotism as the starting point; 2) education in revolutionary tradition with the study of heroic modes as the main part; 3) moral education in collectivism with the highest principle as "the interests of the people are above all." I feel that these points are very well directed.

In centering around this core of education in communism, regardless of whether we are carrying out education in patriotism, in revolutionary tradition or in collectivist morality, we must teach with skill and patience. At present, in the process of carrying out education in patriotism, we must guide the children's warm love for their native place, their warm love for the motherland and their concern for the socialist four modernizations. We must help them to understand the great blueprint of the Seventh 5-Year Plan and stimulate them to have a zealous yearning for, and to pursue, their beautiful future. We must guide them in understanding the motherland's past and present, and to understand the superiorities of the socialist system. At the same time, we must help them to understand the differences between our nation's economic, scientific and technological levels and those of the developed countries in the world, and encourage them to establish, from a young age, the aspiration of studying diligently in order to invigorate China. In the process of carrying out education in revolutionary tradition, we must guide them: In taking the older generation of revolutionaries as a model; in studying the heroic struggle of the older generation for the communist cause and their noble ideals and revolutionary spirit of not fearing to sacrifice one's life; and in being determined to contribute themselves to strengthening the state and making the people prosperous. We must guide them in taking modern heroic models as an example and, in studying the enterprising spirit and spirit of giving oneself to the cause which the modern heroic models demonstrated in their protection of the motherland and their building of the four modernizations. We must show them that if they prepare well now, they will be able to realize achievements in the future. In the process of carrying out moral education in collectivism, we must guide them in correctly handling the relationship between themselves and others, so that they consider other people, consider everyone else, find it a pleasure to help people, respect the old and love the young, respect their teachers and elders and concern themselves with their fellow students. We must guide them in correctly handling the relationship between individuals, the collective and the state, so that they understand that the "interests of the people are above all," concern themselves with the collective, concern themselves with the state, and do their duty for the people and the society. Also, we must guide them from a young age, in studying the law, understanding the law and obeying the law, in spontaneously safeguarding public interests and social order, and in daring to struggle against the various types of bad phenomena.

I believe that in carrying out education in communism for children and juveniles, we must especially pay attention to actual results. We must adopt methods which students will easily accept and, in accordance with the physiology of children of different ages, their different characteristics in mental development and their ability to understand, create different forms so that educational activities are vivid, concrete and varied. For example, in the process of carrying out education in patriotism for Young Pioneers, we can develop activities including "advancing motherland," "be determined to reach the target, rouse oneself in striving for the 'four haves,'" "be diligent and skillful in using our two hands," and "I draw stars for the Seventh 5-Year Plan." In the course of providing collectivist education in nurseries for preschool age children, we can use activities such as "small tasks," "small helper" and "I am doing good deeds for my small friends." In this area, many units have created successful experiences. For example, the school and neighborhood party and CYL organizations under Jiangan District in Wuhan city have, in accordance with the various levels of growth in a child's development, implemented various levels and different forms of education in traditions. For primary school students, the stress of education is on images, pictures and words are given equal stress, and words and songs are combined. For the middle-school students, the stress is on inspiration. This has been well received by the students.

In brief, when educating children and juveniles in communism, we must abide by the principles of proceeding from low to high, and from shallow to deep, so that there is gradual, ordered progress. We must pay attention to the patterns, the scientific nature and the continuity of education, and must be good at accurately influencing the various factors of children's growth. Also, with different problems arising in different periods, we must be able to carry out education work with specific problems in mind. Only in this way will we be able to achieve ideal results.

IV

In November last year, after I made a report to the leading comrades of the Central Committee, Comrade Hu Yaobang provided some very valuable comments. He pointed out that education of children is an important component part of our nation's national education and that he hoped it would attract the attention of the whole society.

I feel that abiding by the principle of "gearing toward modernization, gearing toward the world and gearing toward the future," and training children into a generation of new communist persons is an especially important task to be shouldered by our literature and art circles, theoretical circles, journalist circles and publishing circles. In various senses, the comrades in these departments, like teachers, are spiritual engineers in molding children and juveniles. A novel, a film, a television drama, or a song only needs to be seen or heard by a child and it will leave an impression on its young soul. Sometimes, it may even have a long-term influence on their road of growth.

Literature and art are products of society and should put social benefits in first place. All literature and art workers should have a high degree of political responsibility, social responsibility and educational responsibility. Now, everyone has this responsibility as the propagation media increase and become more advanced, and children's ability to receive these and their ability to think have developed to a higher stage. These abilities have developed faster than ever before and the influence of culture and art on children is becoming stronger daily. These new changes require that our cultural and art workers coordinate with the various sides in society and together take on the glorious task of training new people with the "four haves." We must use our healthy works and performances to help our children and juveniles to establish a correct outlook on life, and guide them in raising their ability to understand and transform the world. In this respect, Hu Jingfang, a playwright with the Liaoning Provincial Art Theater and comrades engaged in children's theater in various places, have realized great achievements. It is hoped that all literature and art workers will, with a loving "parent's heart" like these workers, be exemplary teachers to the children and transmit to the children noble sentiments and ideas, create and perfect more literature and art works which are beneficial to children, and help the vast numbers of children and juveniles to develop healthily.

Our party and government organs, army units, groups, schools and enterprise and institutional units have the responsibility and obligation, in accordance with their own specific conditions, to fully bring into play their own functional characteristics and, from many angles, do good and practical things which will contribute to the healthy development of children and juveniles. We should give the green light to, and provide the best possible conditions for these things which are of benefit to the healthy development of children and juveniles.

Every Communist Party member, every CYL member, every cadre, all workers, all officers and men of the PLA, and every parent must shoulder the task of the times in educating children and juveniles. They should set an example themselves, stress culture, stress social morality, be brave in resisting unhealthy tendencies, get rid of decadent ideological vestages of feudalism and capitalism, use their own words and actions to transfer into the souls of the children the seeds of communist ideology and constantly set spiritual and cultural examples. Parents must have a longer view. In respect of children's actions and requests, they must appraise and either respond or not depending on whether it is beneficial to the child's long-term development. In this, love and strict requirements are in unity. Pampering is not love and at times can even harm children. It is hoped that every parent will think about their child's future logically and realistically.

Training a generation of new communist people is an extremely glorious and extremely arduous historical mission. Of course, standing in the front line in order to complete the mission are workers in child and juvenile education. You have the diligent, untiring hands of a gardener, you have the spirit of devotion of a candle and you have the broad-mindedness of the wise. In your past work, you have been diligent day and night and the results achieved are obvious. As to your work in the future, you shoulder heavy responsibilities and thus need to make greater efforts. The party and the whole society have placed great hopes in you. Let us link hands and, in order to improve the quality of the whole Chinese nation, and in order to realize the magnificent cause of communism, create a new situation in the work of educating children and juveniles!

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THE EMERGENCE AND DEVELOPMENT OF LATERAL ECONOMIC ASSOCIATION IN CHINA

Beijing RED FLAG in Chinese No 11, 1 Jun 86 pp 7-10

[Article by Zhao Weichen [6392 4850 5256]]

[Text] Over the past several years, China's economic management system reform has, on a nationwide scale, helped end segregation between sectors and between localities and helped remove the fetters of the old management system. Many forms of economic association networks traversing many channels and many levels have appeared, powerfully promoting China's economic prosperity and development. This is a new thing arising from the implementation of the guiding principle of opening China to the outside world and invigorating the domestic economy, and is also an important part of our economic system reform. Lateral economic association is developing vigorously and it manifests strong vitality.

I

Lateral economic association has emerged and developed under the auspices of the CPC Central Committee and the State Council leadership, and as a result of the impetus of our national economic management system reform.

China's past economic management system had many drawbacks which hindered the development of production. Owing to the segregation between localities and between sectors, various localities' economic advantages could not be fully developed, the weak points of each locality could not be remedied by the strong points of others, human, financial, and material resources could not be fully and effectively utilized, and the problem of rigidity in economic work became increasingly more serious. Since the 3d Plenum of the 11th CPC Central Committee, the guiding principle of relying mainly on the planned economy with regulation by market mechanism as a complement has been put forth, the role of regulation by market mechanism has continuously expanded, the traditional management system and method of work have gradually given way to new ones, and people have attached increasingly greater importance to working according to economic laws. Because the segregation between sectors and between localities was more markedly impeding economic development, ending this segregation and developing lateral economic association appeared to be all the more essential. In response to the demand of some enterprises and localities for developing unplanned cooperation in the area of goods and materials and developing lateral economic association, the State Council issued in 1980 the "Provisional Regulations on Promoting Economic Association," in which the policy of "developing strong points, circumventing weak points, safeguarding competition, promoting association" is clearly set forth. This has very effectively promoted the development of lateral economic association and the ending of segregation between localities, between sectors, and between enterprises. In 1981, thanks to the initiation and support of the leading comrades of the CPC Central Committee and the State Council, economic and technological cooperation conferences were convened initially by three provinces and two municipalities in north China, which set up the first open, loosely organized type of economic and technological cooperation zone organized according to the method of economic association. The State Council fully endorsed this development and announced: "Economic and technological cooperation between localities is conducive to economic readjustment, tapping potentials, and improving economic results." In summer the same year, a forum on theoretical questions concerning economic and technological cooperation was held in Shanghai, at which those present analyzed the imbalance in China's economic and technological development and also the necessity and importance of economic and technological cooperation between localities, pointed out that the development of lateral economic association in China is an inevitable trend, and explained the great significance of developing economic and technological cooperation.

In January 1983, with the approval of the State Council, the State Economic Commission convened a national conference on the experience of economic and technological cooperation in order to enhance understanding, review experience, and promote actual work. Shanghai, Tianjin, Nei Monggol, Gansu, and so on, which rather satisfactorily organized economic and technological cooperation, presented their experience. The indisputable facts in their experience demonstrated that economic and technological cooperation did promote the improvement of economic results. Since that conference, economic and technological exchanges between various localities have begun to multiply. According to incomplete statistics, from 1981 to 1983, more than 14,600 cooperation projects were arranged in various localities in China, with the forms of cooperation continuing to multiply and the scale of cooperation continuing to expand.

In the spring of 1984, while inspecting work in southwest China, Comrades Hu Yaobang and Zhao Ziyang enthusiastically advocated cooperation and economic association between various southwestern provinces and helped to bring about an economic coordination conference between Sichuan, Yunnan, Guizhou, the Guangxi Zhuang Autonomous Region, and Chongqing. In June the same year, Sichuan, known as "the land of abundance," opened wide its door and invited the 27 other provinces, municipalities directly under the central government, and autonomous regions to send personnel to Sichuan to discuss major plans for economic vitalization and to negotiate on economic and technological cooperation projects. In September the same year, with the approval of the State Council, the State Economic Commission, the State Planning Commission, the State Nationalities Affairs Commission, and the State Goods and Materials Bureau jointly convened the "National Conference on Economic and Technological Cooperation and on Counterpart Support," which was the first large-scale joint edonomic conference since the founding of the PRC. Leading comrades in charge of economic work from all of China's provinces, autonomous regions, and municipalities directly under the central government attended the conference, at which it was fully affirmed that lateral economic association is an inevitable trend of development of the socialist economy and is an important part of our economic system reform. The conference broadened the horizons of those present and boosted their confidence in work.

The "Resolution of the CPC Central Committee on Reform of the Economic System" adopted at the 3d Plenum of the 12th CPC Central Committee has greatly encouraged the development of lateral economic association. The "Resolution" clearly states: "Not only must China be opened to the outside world, but it is even more necessary for various localities in China to be opened to each other. Regions which are relatively well developed economically and regions which are relatively less developed, coastal, inland, and frontier regions, cities and the countryside, and various industries and enterprises, must remove the barriers between them and open their doors. They must vigorously promote lateral economic links according to the principle of developing strong points, circumventing weak points, adopting many different methods, benefiting one another, and achieving joint development." Encouraged by the spirit of the 3d Plenum of the 12th CPC Central Committee, urban and rural economic system reform has proceeded vigorously and lateral economic association has developed rapidly. In 1984, 17,000 economic and technological cooperation projects were arranged in China, surpassing the total figure for the 3 preceding years. According to incomplete statistics, 35,000 cooperation projects were arranged in 1985, more than double the 1984 figure, with cooperation in the area of goods and materials involving a value of 16 billion yuan.

Currently, a national lateral economic association network has been formed and lateral economic association is developing in depth and in scope. Aside from simple cooperation in the area of goods and materials, there is also unified association embracing production, funds, goods and materials, personnel, and business operation, with technological cooperation as the hub. Aside from single-project, temporary, or loose economic cooperation, there is comprehensive, long-term, or steady cooperative association. Aside from association between industrial enterprises in production, there is association between many industries or many realms, as between industry and the trade sector, between industry and commerce, between industry and agriculture, between production and scientific research. Aside from general economic cooperation between localities, departments, or enterprises, there is also association between regions or enterprises. The development of lateral economic association causes the old management-system setup to be superseded and helps end the segregation between sectors and between localities, the seclusion of departments, the separation of cities from the countryside, the divorce between production and scientific research, and the isolation of defense industry from civil enterprises. This causes China's management system to change over from vertical, closed, administrative management to open-type management whereby vertical and horizontal links are integrated, with horizontal association being predominant. This change is of far-reaching significance to the formation of a socialist management system with Chinese characteristics and the promotion of the prosperity of our national economy.

II

The current development of lateral economic association has the following few characteristics:

First, it transcends the limitation of administrative regions and departments; association and cooperation between regions has been developing very quickly. With the development of the economy and the progress of the economic system reform, a number of regional economic association and cooperation networks of various sizes and with different characteristics have been established under the condition of voluntary action, equality, and mutual benefit and in the light of economic links naturally formed in the past or based on geographical location. They can relatively satisfactorily mobilize the enthusiasm of various provinces and municipalities and are advantageous to the development of their own economic strong points, the development of local resources, and the improvement of economic structure and distribution. For example, in the three northeastern provinces of Liaoning, Jilin, and Heilongjiang, the focus of cooperation is the development of communications, energy resources, and materials and raw materials; cooperation is undertaken in the supply of materials and raw materials like coal, cement, steel products, timber, glass, and so on; through cooperation, 32 main highways are open for interprovincial through transport; and initial negotiations are being conducted for the building of wharves at Dalian and Dandong and the opening of sea routes. Over the past year, in the five southwestern localities--Sichuan, Yunnan, Guizhou, Guangxi Zhuang Autonomous Region, and Chongqing--by various methods like conferences on open-type and loose economic coordination, 2,163 economic and technological cooperation projects have been successfully negotiated, and some projects which had for many years been considered desirable but which were too difficult for a single locality to undertake have been made possible, such as the building of roads beginning in one province and terminating in another, the joint effort of Sichuan and Yunnan in excavating minerals and utilizing water resources along the lower reaches of the Jinsha Jiang, and so on.

Second, various forms of economic association groups are being developed, with urban system reform as the focus. There are three main categories:

The first category is urban economic combines. Exploiting their own strong points, some cities extensively launch cooperation in aspects like economy, technology, qualified personnel, funds, resources, attracting foreign capital, exporting products, and so on, and thus joint prosperity and development are promoted. For example, cities having the Chang Jiang as their axis, like Nanjiang, Zhenjiang, Yangzhou, Nantong, and so on, and those having the Shanghai-Nanjiang Railway as their axis, like Suzhou, Wuxi, Changzhou, and so on, have set up band-like urban combines through lateral economic association. Changsha, Xiangtan, Zhuzhou, and so on have also formed lateral economic combines.

The second category is urban-rural economic association groups. They mainly have cities as their centers and key areas and forming lateral economic association networks. Appearing in large numbers in large and medium-sized cities all over China, they are developing quickly, powerfully enhancing the coordinated development of urban and rural economies, and promoting the readjustment of the rural industrial structure. Take Wuhan as an example: 557 economic combines of various types had been established by the end of last year by urban enterprises and suburban counties, and the production of 322 categories of products has extended to the suburban counties, involving an output value of 220 million yuan. The development of unification of the urban and rural economies has thus quickened. This form of association has also taken shape in large numbers in cities like Changzhou, Shijiazhuang, and so on.

The third category is economic association groups comprising enterprises. This kind of association takes an even larger variety of forms. Association may be close or loose, and may involve production of goods or services. There is association in production involving an organized chain whose "head" is a superior-quality famous brand of product, association for branching out the production of spare and component parts through inviting and submitting tenders, association between production enterprises, scientific research institutions, and colleges and universities, association for dealing in and marketing products, and so on. The economic association groups have also extensively launched economic and technological exchange and cooperation with foreign countries and the Hong Kong and Macao area.

Third, technological cooperation is an important part of economic cooperation. Technological cooperation is a very wide arena, its scope covers a rich variety of things, it takes many varied and flexible forms, it involves small investments, and it yields quick results. Currently, technological cooperation projects account for 60 percent of all economic and technological cooperation projects. The forms of cooperation include transfer of fruits of technological research, providing "a complete chain" of technological transformation services, comprehensive utilization and development, professional advice on large-scale projects and on policies concerning developmental work, supplying technological service teams, training and exchange of qualified personnel, and so on. This cooperation promotes the integration of production with scientific research, enables the fruits of scientific and technological research to be quickly transformed into productive forces, and plays an even more significant role in powerfully promoting the raising of the technological standard of regions which are not well developed economically and technologically.

Fourth, new development has been achieved in giving economic and technological support to counterparts in old regions, minority nationalities regions, border regions, and poverty-stricken regions. This support of counterparts is an important task assigned by the central government to the economically developed provinces and municipalities and is of far-reaching significance to strengthening border defense and national unity. Marked success has been achieved by the provinces and municipalities charged with providing this support. Nine provinces and municipalities, namely, Jiangsu, Tianjin, Shanghai, Zhejiang, Fujian, Sichuan, Beijing, Shandong, and Guangdong, in conjunction with relevant departments under the State Council, have undertaken 43 projects to support construction in Xizang. Working under very difficult conditions, they have fulfilled their assignments on schedule, attaining good standards in regard to quality and quantity. They have been commended by the central government and various other quarters. The counterpart support provided by Shanghai to Yunnan, by Jiangsu to Guangxi, and by Shandong, Liaoning, and Hubei to Qinghai includes teaching of technology, training of qualified personnel, and raising of scientific and technological standards; this positively helps the receiving areas to achieve economic and technological development and shake off poverty and backwardness.

Fifth, major advances have been achieved in combining military and civil industries. Lateral economic association helps remove the barrier between military industries and civil enterprises. The military industry sector is vigorously developing products for civil use and pushing forward the integration of enterprises at the first and third fronts. Within 6 months of the first national trade fair held in March 1985 to market products for civil use produced by the military industry, over 20,000 projects involving the transfer of military industrial technology to civil use were successfully negotiated by various national defense industrial departments and the enterprises under them, with the value of transactions totaling over 700 million yuan. The total value of products produced by the military industrial enterprises for civil use reached 5.5 billion yuan, a growth of 67 percent over 1984. Thus, the integration of the military and civil sectors can greatly promote national economic development because each can rely on the strong points of the other to remedy its own weak points.

Sixth, many organizations of various types integrating production and scientific research have appeared. These integrated organizations have appeared only in recent years and are developing from an elementary to an advanced stage. Currently, in many localities, there is a trend of development from single-project technological cooperation to developmental work or contracting for project completion involving complete sets of technology, from bilateral technological cooperation to multilateral comprehensive technological development involving many industries or localities, from joint developmental work to joint creation of new industries, and from domestic joint effort in tackling technological problems to joint development of export by the research, industrial, and trade sectors. According to incomplete statistics, nearly 10,000 organizations of various types integrating production and scientific research have been formed in China. This form of association will greatly promote China's scientific and technological progress.

III

Promoting and developing lateral economic association is an important part of the current economic management system reform. In order to further enhance understanding ideologically and to vigorously open up a new situation in actual work, we must pay attention to several questions:

1. We must fully understand that developing lateral economic association is an inevitable trend of development of China's economy. The "Resolution of the CPC Central Committee on Reform of the Economic System" states: "An adequate development of the commodity economy is an unavoidable stage of socioeconomic

development and is a necessary condition for China's economic modernization." Lateral economic association can help and the segregation between sectors and between localities, help remove barriers between localities, help mobilize the enthusiasm of various quarters, and help promote the production of commodities. It can also take many forms, increase the exchange of commodities, and pave a new way for developing the commodity economy. Developing lateral economic association is conducive to the readjustment of the industrial structure, the rational use of production factors, and the achievement of socialized large-scale production.

2. We must develop and support many different forms of lateral economic association. China has a vast territory and a great deal of resources, but it is backward economically and technologically, with great imbalance in the development of various localities. The coastal regions are relatively advanced economically and technologically and have a fairly good foundation and strength; the vast northwestern regions are relatively backward but have great potentials for economic development. Moreover, discrepancies also exist within a single locality or sector. Lateral economic association aims to develop the strong points of each entity concerned, to circumvent weak points, to enable the entities concerned to complement each other and to achieve joint development. Therefore, the form of association must not be limited to a single mode. There must be many different forms, so that various possible factors can be mobilized and the economy can be invigorated.

3. The principle of equality, voluntary action, and mutual benefit must be adhered to. Lateral economic association could not successfully develop in the past mainly because: First, the interests of the producers of commodities were not respected and cooperation often amounted to egalitarian transfer or gratuitous provision of resources; second, the irrational pricing system led to inequality in reward and inability to mobilize the enthusiasm of various parties concerned; third, administrative measures were used to mechanically and inappropriately piece together productive resources; and fourth, requisite laws and regulations governing economic association were lacking, so that the enforcement of agreements of association could not be ensured. Therefore, in establishing lateral economic association, while we must advocate the communist spirit and must not be calculating, we must also adhere to the principle of voluntary action and mutual benefit, and respect the economic interests of various parties undertaking cooperation, so that everyone can gain. Only thus can a steady and long-term cooperative relationship be established.

4. Improving economic results must be the focus. In developing lateral economic association, we must adhere to the unity of microeconomic results and macroeconomic results, of short-term results and long-term results. When microeconomic or short-term results conflict with macroeconomic or long-term results, we should consciously subordinate the former to the latter. Conflicts between microeconomic and macroeconomic results may arise because the relations between prices, taxation, the fiscal system and so on in China's actual economic work have not been straightened out and some measures in our economic system reform unavoidably cannot be flawlessly worked out. This makes it more important to pay attention to consciously

integrating lateral economic association projects with national or local short-term and long-term planning, and to subjecting them to the guidance of state planning, so as to avoid economic losses and waste.

To achieve unity of microeconomic and macroeconomic results, we must promote scientific and technological progress, promote economic structure readjustment and the rationalization of geographical distribution, and focus our attention on upgrading product quality, developing new products, developing export products capable of earning foreign exchange, developing high-quality famous brands of products, developing the production of energy resources, materials, and raw materials, and developing communications and transport, and so on. We must launch association, with the weak links of our national economy as our focus of attention; and the state and various parties concerned must provide the necessary support.

5. We must formulate and perfect policies and methods related to the development of lateral economic association. The existing economic policies are incompatible with the development of lateral economic association, something new which has developed only in the last few years; and some policies even fetter its development. Therefore, in the light of the characteristics of, and requirements for lateral economic association, requisite policies and methods must be formulated and perfected under overall state planning in order to support and promote its development. For example, some preferential policies regarding fiscal revenue, taxation, remuneration for, and training of personnel, and so on, must be formulated in order to create conditions conducive to its development.

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ON RURAL ECONOMIC ASSOCIATION

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[Article by Zhou Yueli [0719 2574 4409]]

[Text] Recently, new rural economic combines have proliferated, arousing widespread attention. Some comrades fear they might undermine the flourishing of the household contractual system; others fear a possible return to the old system; the majority of comrades are cautious and propose to wait and see; and a minority of comrades think that a new high tide of rural cooperation has appeared and the method of operation by individual households is no longer compatible with the development of the productive forces. Divergence in viewing economic association is something normal. Below are my personal views.

I

In general, various categories of rural economic combines have appeared later than the household contractual system. In Anhui, economic combines, relatively complete in form, appeared in 1980 and have been developing very quickly over the past 1 or 2 years. According to standard statistics conforming to state regulations, there were 23,558 economic combines of various types at the end of 1984 employing 175,000 people and having fixed assets originally worth 133 million yuan, and their total income for the year was 270 million yuan. A breakdown according to occupation is: crop growing, 1.8 percent; forestry, 1.4 percent; animal husbandry, 3.4 percent; fishery, 12.3 percent; industry, 41.5 percent; transportation, 15.3 percent; building and construction, 6.7 percent; commerce, catering, and service trades, 9.2 percent; and other occupations, 8.4 percent.

Available information reveals that the combines are developing rather quickly. Considering the trend of development, the more well developed the commodity economy, the stronger is the tendency for forming combines. Geographically speaking, the nearer a locality is to some large city, the quicker the development. Judging from occupational structure, industrial combines are most numerous.

The form and scope of household production and operation activities differ under different historical conditions. In a natural economy, these activities are usually integrated with small-scale farming, their typical form being the integration of farming with weaving. After China entered the epoch of socialism, household operation activities should have greatly developed; however, "leftist" policies misled people into thinking that household operation was an absolute opposite to collectivization, so that it did not develop as it should; instead, it was treated as an "appendage of capitalism" and eradicated, so that even today, whenever people hear about cooperation or forming combines, they will be apt to associate it with the "cooperative movement" of the past. Actually, many of those peasants who take the lead to form combines in the countryside, being victims of the "large, collectivized communes" and being personally involved in rural transformation, passionately cherish the household operation of their own creation. Nevertheless, the grim realities of economic life often land them in a situation of "finding it difficult to achieve anything without support, like being unable to clap with one hand"; even big specialist households often fail to overcome the limitations of household operation. Therefore, it cannot be indiscriminately said that peasants object to cooperation. They merely object to that kind of "cooperative movement" marked by using administrative decrees to make people rush headlong into mass action, organizing operation by "sending swarms of people to work," effecting distribution by letting people "eat from the same big pot," and striving for false reputation without caring about actual results. As to the new combines of today marked by voluntary action, mutual benefit, free association, free entry and exit, and genuinely democratic management, not only do peasants endorse them, but they try all means to create opportunities for forming them. Once a combine is formed, there will be perfect trust and mutual understanding between members, each of whom developing his own creativity and expertise.

The existence of any form of economy must be bound to certain socioeconomic conditions. Since the founding of the PRC, despite the roundabout course we had taken, China's countryside has achieved brilliant success. The composition of production factors has markedly changed. Prolonged exposure to comparison has enabled the peasants to realize that traditional technology is far inferior to the power of modern science and that with the development of modern communications, transport, and telecommunications facilities, people's social contacts and the realm of economic activities are increasingly more extensive. All this social and economic progress of historical significance has unavoidably affected the household as the most basic cell of the economy. Therefore, any attempt to persuade the peasants to sever their links with modern industry, science, and civilization and to return to the age of small-scale farming and self-sufficiency will surely be futile. Today, peasants in China have realized that the closer their relationship with modern economic life, the broader the prospects of household operation, and that association is an important way of strengthening this relationship.

II

Economic combines embody a reorganization of production factors. Therefore, their birth and development depend on a precondition, namely, changes in the condition of the production factors.

Changes in rural production factors begin with a change in labor, a basic factor; and the appearance of a large quantity of surplus labor is a basic characteristic of this change. According to surveys conducted in 1984, Anhui had a surplus labor force of nearly 9 million people; moreover, the majority of peasants engaged in agricultural work had considerable surplus working time. The first reason for this economic phenomenon is that with the institution of the responsibility system the amount of grain and major industrial crops sold as commodities had doubled; and between 1979 and 1983 the per capita increase in total value of agricultural output equalled the total increase for the preceding 20 years. The second reason is a change in material factors. From 1978 to 1983, the numbers of agricultural vehicles, small tractors, and large and medium-sized tractors increased by 268 percent, 114 percent, and 14 percent respectively. The use of electricity and chemicals and the planting of improved varieties of crops had also considerably increased. An increased proportion of machinery used in agriculture can undoubtedly promote the development of agricultural productive forces and an increase in surplus labor. China's basic characteristic is its large population and scarce arable land. Actually, there was an oversupply of rural labor in the past, but this was concealed by the method of production whereby "swarms of people were used in work." With the institution of the responsibility system in production, the latent surplus labor has begun to be revealed in various ways.

The only way out for surplus rural labor can be either a flow to the cities to supply human resources for large-scale industries or local assimilation by means of opening up new occupations. For a large country like ours with plentiful human resources, only the latter method can be chosen. That is, the overwhelming majority of our rural population must find jobs in the countryside. This is both the starting point and the final goal in our study of any rural changes.

Another change in the rural production equation is the appearance of a large amount of surplus funds. In 1983, the per capita annual income for the countryside of Anhui was 287.6 yuan; the necessary consumption in production and the normal daily life consumption having been deducted, the per capita surplus funds for the countryside amounted to about 34 yuan; thus, for the province as a whole, the surplus funds available for use exceeded 1.5 billion yuan. The main outlets for the peasants' surplus funds are: savings deposits, personal loans, holding money for future purchases, and pooling funds to set up enterprises. Considering profitability, risk, and the factor of habit, peasants prefer the pooling of funds to set up enterprises because the return is higher than the interest earned from savings and the risk is smaller than that of loaning money; and as to holding money for future purchases, reliability is enjoyed at the expense of stability because price changes will affect actual purchasing power.

Above is a dynamic analysis of the basic rural production factors. There is no major divergence of views on this kind of analysis. The crucial question is what method is most advantageous to the symbiotic integration of various production factors, and hence to the perfecting and development of the household contractual system, and to the building of socialism with

Chinese characteristics in the countryside. There is much divergence on this question.

Some hold that China's countryside must take the path of: household operation-formation of specialist households-formation of big specialist households; others advocate household operation plus socialized services as the model of development for China's countryside; yet others propose that the development of the rural commodity economy should rely on enterprises in towns and in the countryside as the motive power for leading peasants to joint prosperity; and there may also be some other ideas. This article will not, and in fact need not, separately scrutinize each of those ideas. It will only provide some necessary appraisal relevant to the title.

The specialist household, like the household contractual system, has emerged as the times require in accordance with the objective laws of economic development and the peasants' demands. It is a product of the commodity economy. Practice has demonstrated that the birth and development of the specialist household do play a decisive role in eliminating the influence of small-scale production and promoting the overall progress of the rural economy and society. However, can we thus conceive the specialist household as representing the only path of China's rural development? Obviously not, because this would imply that we have only two options--we must either turn all households into specialist households, or have the majority of households attached to a minority of big households. Both options are impracticable, with the former more so than the latter. The latter has some chance of success, but is incompatible with the requirements for the functioning of the socialist macroeconomy. As explained earlier, today's peasant households do not have the tendency of serving as an appendage as those in the age of small-scale farming inherently had. Even if they want to serve as an appendage, their only choice is to be attached to socialist public ownership which is closely connected with large-scale industries.

The second idea of household farms plus a complete system of social services is practicable for some developed countries but not so for China if practiced on a full scale. Ignoring the social system and considering only the condition of combination of production factors, its practicability calls for compatibility, in regard to the technological condition and level of development, between the macroeconomic service system and the microeconomic operation activities. In the United States, socialized services to agriculture are well developed. This is not only due to the overall level of economic development, but two other major characteristics are relevant: First, the consumers of services comprise more than 2 million household farms and the average land area owned by a farm is 2,300 mu; and second, the service system mainly comprises two parts: the state sector and the cooperatives. From this fact we learn two things: First, the emergence and development of socialized services in China's countryside relies on the development and strengthening of combines established on the basis of household operation; and second, China's rural services system must include service combines of various forms and sizes.

The third idea undoubtedly points out an important path to rural economic development. Actually, many existing combines have joined the ranks of enterprises in towns and the countryside. However, we must not thus infer that enterprises in towns and the countryside alone can represent China's overall rural development. Judging from relations of subordination, these enterprises belong to the rural economy; but they function differently from the rural economy, and it is theoretically incorrect to include the rural economy in the category of enterprises in towns and the countryside.

We still cannot say at present that we already have a complete model of reform for China's countryside. However, the experience of practice can at least reveal the following general picture:

Amid competition, many forms of economy coexist, are consolidated, and develop;

There is an increasing variety of ways of operation based on household operation, with the joint-stock cooperative economy becoming dominant;

Agriculture in the narrow sense is giving way to agriculture in the broad sense, and in the countryside, division of labor and specialization in occupation will tend to be synchronous with the development of socialism;

Horizontal economic association crossing various localities will continue to grow, and between various categories of economic organizations exchange relations marked by voluntary action, mutual benefit, and equality will be established under legal protection;

Exercising effective indirect control will be the management departments' main function, and guidance planning will replace directive planning in playing a leading role;

Market towns in the countryside will become increasingly more important on the basis of development of enterprises in towns and the countryside, and will gradually become the centers of their districts;

New relations between urban and rural areas will lead to the interlocking development of the cities, agriculture, and rural industries; tertiary industries will extend from urban areas to rural areas and also in the opposite direction amid exchanges between urban and rural areas; and the coordinated development of urban and rural areas will lead all people to joint prosperity.

III

Above is a study of the macroeconomic aspect of the socioeconomic conditions governing the existence and development of combines. Below is mainly a continuing study of the microeconomic aspect of the basic propelling factors affecting the existence and development of combines.

The numerous emerging new economic combines can be classified according to location into those set up by local villages or local rural areas and those extending across a number of rural areas, counties, or provinces. They can be classified according to the level of operation into those formed between individual households and those formed between peasant households and collective or state-run units. They can be classified according to time into perennial, seasonal, and temporary combines. They can be classified according to the process of production into combines undertaking one or more stages of production, combines engaged in one or more links of production, network-like combines characterized by one or two individuals or units providing certain categories of services or support to many peasant households, and combines formed between producers which involve relatively close ties in work and distribution. Among various types of combines, there are at present several main categories which are relatively stable, are on a fairly large scale, and yield relatively good results; they are as follows: Combines which are formed by a considerable number of peasant households to undertake a complete production process and which have relatively perfect systems; regional or transregional combines which extensively link together peasant households in order to launch specialized production; combines which undertake the complete chain of production, supply, and marketing and which coordinate the efforts of specialist households with those of combines formed between rural districts and villages; combines which are formed mainly through joint-stock association between peasant households and which carry out joint operation with various economic sectors; peasant-household combines undertaking processing of spare and component parts on behalf of state enterprises; combines undertaking specialized production and formed between peasant households and enterprises operated by rural districts or villages; combines formed between peasant households and urban enterprises to develop and utilize resources; and combines jointly established by a number of peasant households to provide productive services to many kinds of consumers of services.

Combines are of all sizes and forms, but they have the following things in common regarding operation and management: 1) They do not interfere with or affect household operation and do not undermine the property rights of their members; 2) they practice independent accounting, independent distribution, and assuming of sole responsibility for profits or losses; 3) each household voluntarily integrates with others and can freely join or withdraw from a combine, without any coercion; 4) all members of a combine have equal rights and obligations and enjoy equality in working, with remuneration varying directly with work done; 5) management is democratic, all accounts are made public, no one is at an economic disadvantage relative to others, and no household need have any worries; 6) management is flexible, and each household can flexibly participate in various economic activities, developing its own strong points and circumventing its weak points; 7) there are crack management personnel and few levels of management; 8) decisionmaking is quick and centralized; very often, an important decision is made over one meal's time; and it is difficult to find marathon meetings or endless kicking of balls in the combines; 9) owing to the existence of competition, all combines must select the most capable people to fill leadership posts, and the ordinary members must also improve in technical quality and develop deeper market sense; 10) because people earn money by their own skills and effort, unhealthy tendencies cannot get a foothold.

The majority of the existing combines embody the joint-stock type of association. Various households undertake joint operation by contributing labor, technology, or funds. Generally, some "capable people" whom the masses trust are in charge. Distribution mainly depends on work done, with distribution of dividends according to shares as a complement. It can be said that this is currently the typical form of the rural combine in China. These combines may become a basic structure on which more extensive association can be established in the future.

Economic result is a matter of survival or extinction for the combines. Practice has demonstrated that the economic results achieved by the majority of combines surpass those of household operation and are considerably better than those of ordinary specialist households. According to 1984 statistics for Anhui, the average income of a worker of a combine was 1,548.9 yuan, 7.5 percent higher than that of a specialist household and 76.5 percent higher than the provincial average. The input-output ratio was 1:4.76 for the combines, 1:3.06 for household operation (including specialist households' operation), and 1:1.47 for enterprises operated by villages.

Currently, the scale of combines is continuously expanding. The trends of development are: First, combines of the same industry are undergoing repeated merging; second, communities of combines in the form of bases are continuously multiplying; third, some well operated combines are changing over from single-occupation operation to comprehensive operation; fourth, labor intensive combines are changing into technology intensive ones; and fifth, organizational structure is going from loose to compact. These trends of development largely result from fulfillment of the objective requirements of the commodity economy. However, this does not mean that whatever the conditions, a larger scale must be better. In this regard we must remain sober.

Examining China's rural changes from the viewpoint of economies of scale can help us understand the following several points:

First, the development from the household contractual system to the economic combines fulfills the objective requirement for the production of commodities. Impeding this development will surely cause deterioration of the productive forces.

Second, household operation and joint operation are two different forms of development of rural productive forces corresponding to two different stages. If the specialist household is said to represent a magnification of the intension of household operation, then the combine is a natural growth of its extension; neither of them departs from or undermines household operation which is their basis.

Third, in the realm of agricultural production, judging from the natural process, household operation exhibits relatively strong adaptability and thus will permanently exist, while judging from the economic process, existing household operation is too small in scale and too fragmentary, so that it should gradually grow in scale. The combine is perhaps the best form of operation which unifies the natural and economic processes.

Fourth, the development from the household contractual system to the economic combine is a process of reorganization of the rural productive forces. Some organizations are not very rational from the beginning and must be reorganized; some others are rational at the beginning but must give way to new ones with the expansion of the scale of operation.

Fifth, owing to imbalance in production factors, different localities have combines differing in scale; and even in the same locality, combines differing in scale will appear under different conditions. Therefore, different guidance must be elaborately given to different categories of combines.

IV

Some questions of policy and understanding must be resolved so that economic combines can continue to be consolidated, developed, perfected, and upgraded.

Leading cadres at various levels and the vast numbers of cadres must have unified thinking and correct knowledge. At present, though the majority of comrades do enthusiastically support economic association, a minority of comrades are indifferent or even opposed to it, because they misinterpret the new mode of association as tantamount to the collectivization model of the past, thinking that it is a move toward "large-scale operation, a high degree of public ownership, egalitarianism, poverty." Some comrades complain about its small scale and the low level of accumulation involved, thinking they are not significantly different from household operation, and so pay no heed to it. Some other comrades are partial to enterprises operated by rural districts or villages, thinking that they alone can constitute a genuine collective economy; and when economic combines are satisfactorily established, they fear that they will displace enterprises operated by rural districts or villages, and they always want to take them over or wipe them out. It should be noted that combines are part of the cooperative economy and will inevitably appear when the system of responsibility in production attains a certain stage of development. We should highly value and protect them, help them overcome difficulties, and promote their vigorous growth. In the past, the method of highly centralized operation through collectivization and establishment of communes had defects, and it was wrong to negate household operation. Now encouraging peasants to practice the new mode of association aims to remedy and overcome the limitations of household operation in the production of commodities, and not to abolish household operation. Our party and government give equal treatment to household contractual operation, specialist households, big specialist households, and individual industrial or commercial households. They are all given protection if they work according to the law and state policies.

We must uphold the principle of suiting measures to local conditions and respecting the aspirations of the masses. We must be full of enthusiasm and vigorously provide guidance, and also work cautiously and pay attention to the method of work. We must prevent rash advances, and must never "whip up storms," set targets, assign tasks, practice sweeping categorization of things like "cutting something into two clear-cut halves," or coercively piece things together. The peasants must completely decide for themselves whether to undertake association or not, how and when to undertake association, what occupations to choose for operation, and what scale of operation is desirable. It is necessary to cultivate typical examples, to review and popularize good experiences, and to induce more peasants to undertake association; however, we must not give blind direction.

We must conscientiously help the combines do a good job of operation and management. The standard of operation and management is of decisive importance to the development of the combines. In this regard, several major things should be satisfactorily grasped: Various regulations and systems, like the responsibility, accounting, and auditing systems, must be instituted and perfected, and attention must be paid to efficacy and practicability; management must be fully democratic, and all important matters related to production or operation must be democratically discussed and resolved upon by all combine members; the principle of distribution according to work done must be satisfactorily implemented, remuneration must vary directly with work done, and in principle dividends on share must be less than income distributed according to work done so that the enthusiasm in production of all combine members can be enhanced; and the relation between accumulation and consumption must be satisfactorily handled, and appropriate withdrawals from public accumulation funds for expanded reproduction or communal welfare undertakings should be made after discussion and approval by all members if existing conditions warrant withdrawals from public accumulation funds or public welfare funds. Preferential treatment prescribed by policies must be given to the combines and satisfactory services must be conscientiously provided.

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STRENGTHEN THE PARTY'S IDEOLOGICAL AND POLITICAL WORK IN THE NEW PERIOD

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[Article by Li Ximing [2621 6932 6900]]

[Text] Our country's socialist modernization construction is now in a new period characterized by opening up to the world, invigorating the domestic economy, carrying out an overall reform of the urban and rural economic structures, and greatly developing the socialist commodity economy. The former overcentralized and excessively rigid economic structure which did not conform with the needs of the development of the social productive forces is being replaced by a new vigorous economic structure with Chinese characteristics. However, along with further development of the reform of the economic structure, some new situations and new questions have emerged. The replacement of the old economic operational mechanism by the new economic operational mechanism has produced some new contradictions and uncoordinated phenomena. The great changes in the economic and political fields will unavoidably cause great changes in people's ideologies and concepts and cause various kinds of contradictions and conflicts in people's ideologies so that people will probably fail to ideologically adapt themselves to the new situation in varying degrees. Under such new circumstances, we must strengthen the party's ideological and political work so that while building a high degree of material civilization, we will be able to build a high degree of socialist spiritual civilization, form a civilized, healthy and scientific life style which conforms with the development of the modernization drive and social progress, develop an energetic, progressive and enterprising spirit, further consolidate the broad masses of the people's belief in communism, stick to the reform, actively throw ourselves into the building of the four modernizations and build up a large contingent with lofty ideals, moral integrity, cultural accomplishments and discipline so as to ensure the smooth progress of our socialist cause.

We must greatly strengthen our ideological and political work in light of the new characteristics of the ideological and political fields in the new situation. Our ideological and political education must particularly aim at the following aspects:

1. To Stick to Education on the Lofty Ideals of Communism While Implementing the Principle of the Socialist Material Interests

Material interests are the basic driving force of the social life of mankind. The reason that the proletariat and the working people carry out revolutionary struggles is also, in the final analysis, to seek their own material interests. Under the socialist system, it is natural that the people and masses are concerned about their own interests and hope to improve their living standard day by day. This is also a manifestation of the superiority of the socialist system. One of the main duties of the party and government is to show concern for and organize people's life, and actively create conditions to continuously improve people's material and cultural life. However, some people lack a correct understanding of the principle of the socialist material interests and lump together the principle of the socialist material interests and the extremely bourgeois and individualistic ideology of "putting money before all else." In order to seek personal interests, they unscrupulously harm the state and the collectives and even violate the law and discipline. In light of this situation, the task of ideological and political work is to correctly publicize the principle of the socialist material interests, make clear the relationship between the principle of the socialist material interests and the lofty ideals of communism and guide the people to make headway in the correct direction.

The principle of socialist material interests is the reflection of the socialist system itself and the basic starting point for the socialist countries to formulate their general and specific policies. In implementing the principle of the socialist material interests, we must naturally link the result of the work of the working people and the performance of all the economic organizations with their material interests so as to establish a socialist economy on the basis of concern for material interests. However, the socialist material interests consist of a number of aspects and are a structure which combines the interests of various aspects, including the interests of the state, the collectives and the individuals, the narrow and local interests and the interests of the whole, and the present interests and long-term interests. All these interests should combine with one another and give consideration to one another under the basic principle of socialism. Giving a one-sided emphasis to one aspect and ignoring another aspect does not mean the principle of the socialist material interests have been correctly implemented. Only by linking together the individual interests, the collective interests and the state interests, subordinating the individual interests to the collective and state interests, subordinating the local interests and the present interests to the interests of the whole and the long-term interests can the personal interests of the people and the masses be guaranteed. The act of satisfying personal interests by harming the state and collective interests runs contrary to the principle of the socialist material interests, and therefore cannot help to maintain the personal interests for long.

The implementation of the principle of socialist material interests conforms with the objective of the proletariat--the cause of communism. Since communism is characterized by a high degree of the development of production and a great improvement of people's material life and cultural life, implementing the principle of the socialist material interests and promoting the development of the socialist society actually create conditions for realizing communism in the future. However, the communist system is the highest stage of social development so that distribution according to need is implemented in the communist society whereas the principle of the socialist material interests can only be embodied by distribution according to work. The two are different from each other. Therefore, we cannot expect that the implementation of the principle of the socialist material interests will naturally enable the people to foster communist ideals. Communist ideals can only be fostered through revolutionary practice and the teaching of revolutionary theories. At present, on the one hand, we must resolutely implement the principle of the socialist material interests, stick to distribution according to labor and adhere to various other socialist systems so as to bring into full play the socialist enthusiasm of the people and masses, and on the other hand, we must carry out the education on the lofty ideals of communism among the people and masses, especially among the party members and young people and lead the people to foster a firm communist belief and a devoted spirit. Otherwise, people's mind will sink into one-sidedness and people will become narrow-minded and will only know how to seek their personal material interests. Once people lose their ideals and the objective of their struggles, they will lose their spiritual driving force and fighting will and will be unable to resist the corrosive influence of various kinds of decadent factors, and finally, our cause will probably depart from the correct socialist orientation.

We must organically link sticking to the principle of the socialist material interests with sticking to the lofty ideals of communism through strengthening our ideological and political work so as to enable the two to promote each other and complement each other. To show concern for the well-being of the masses and enable the masses to obtain material interests are the necessary prerequisite for carrying out the education on the communist ideals among the masses; and only by carrying out education on the communist ideals can we correctly implement the principle of the socialist material interests and can our cause of building the socialist modernization progress healthily and smoothly.

2. To Stick to Education on the Fundamental Aim of Serving the People Wholeheartedly While Implementing the Principle of Exchange of Equal Values

The principle of exchange of equal values is the principle which the commodity economy must abide by. Over the past few years, along with the development of our socialist commodity economy, the role of the principle of exchange of equal values in the urban and rural economies has been gradually strengthened. Under the influence of the capitalist ideology and because of the lack of the ideological and political work, the ideology of "putting money before all else" has developed in some people's mind. Some people have arbitrarily expanded the role of the principle of exchange of equal values and applied the principle of exchange of equal values in areas other than commodity exchange. As a result, such practices emerge as "no money, no work," "work according to the amount of money," and even the recruitment of party members and the promotion of cadres as a condition in exchange for accomplishing a certain task, and so on. The reason for the emergence of these erroneous ideologies and this behavior is because these people have failed to distinguish the socialist commodity economy from the capitalist commodity economy and have violated the aim of serving the people wholeheartedly.

It should be pointed out with emphasis that the principle which we must abide by in our political life and the life within the party is fundamentally different from the principle of exchange of equal values. Our party is the vanguard of the proletariat so the ideologies and actions of all Communist Party members must stick to the principle of the proletarian party spirit. When dealing with the relationship between the individual and the cause, the communists must selflessly devote themselves to the communist cause, including their own lives. When dealing with the relationship between the individual and the party, the communists must place the interests of the party above anything else and unconditionally subordinate their personal interests to those of the party and the people. When dealing with the relationship between individuals, the communists must be the first to bear hardships and the last to enjoy comforts, and give first considerations to others and think about themselves later. The leading role of the Communist Party's leading organs at various levels is embodied in serving the grassroots level and serving the people. The relationship between the cadres and the people and between the leaders and the masses is the relationship between the public servants of the society and the masters of the country and the relationship between to serve and to be served. This relationship must not become the relationship of exchange of equal values. The communists view serving the people wholeheartedly as the loftiest spiritual realm and the greatest value. The hard work done and the sacrifices made by the communists can never be calculated and compensated by the principle of exchange of equal values. In the past, the communists led the people to achieve the victory of the revolutionary cause and the victory of the construction cause by sticking to the fundamental aim of serving the people wholeheartedly. In the new historical period, the communists should continue to stick to this fundamental aim so as to push forward with the reform and the development of the cause of the four modernizations. While vigorously developing the commodity economy, we must point out the harm caused by the possible intrusion of the principle of exchange of value as applied in economic life, into political life and life within the party among the broad masses of party members, people and masses. Thus we can enable them to often keep soberminded, increase their consciousness and reduce their blindness, always stick to the communist orientation, ensure the smooth progress of the reform of the economic structure and the healthy development of the socialist commodity economy.

3. To Stick to the Education on the Fine Tradition of Hard Struggle While Gradually Improving and Raising the Living Standard of the People

Over the past few years, along with the development of our country's economy, our country's national income has shown a continued increase and our people's living standard has been greatly improved. In 1985, the consumption standard of the residents in the urban and rural areas of Beijing increased by 67 percent or increased by 32 percent if the price hikes are factored in. It is obvious to all that the lives of all people have become better and better on the basis of the development of production. The improvement of the people's living standard has greatly aroused the enthusiasm of the broad masses of the people in building socialism. Without such enthusiasm, the success of the modernization cause would be impossible. However, we should also see that some people are not dedicating themselves to the building of the four modernizations of the country, but instead, driven by their desire to seek personal material enjoyment, and ignorant of the actual conditions, these people are demanding high salaries and a high standard of consumption. They are not industrious and frugal and do not keep expenditures within the limits of income, but on the contrary, they indulge themselves in eating and drinking extravagantly and spending money and squandering without restraint. Some people even commit crimes in order to seek the decadent life of luxury and dissipation. These situations have shown that we must not relax our education on the fine tradition of hard struggle while gradually raising the living standard of the people.

The improvement of the people's living standard must be based on the development of the productive forces and the increase of materials and wealth. This is an objective law independent of man's subjective will. To seek and cherish illusions about the raising of the consumption standard regardless of the level of the development of the productive forces is just water without a source and a tree without a root and will never succeed. If we blindly stimulate consumption regardless of the present economic conditions, we will probably artificially destroy the balance between the total social demand and the total social supply and destroy the benign circle of the national economy. At present, some units adopt incorrect methods to raise the workers' salaries and distribute the production funds as bonuses. Some mismanaged and loss-making enterprises even distribute more bonuses, allowances and subsidies to the workers than those well-managed and profit-making enterprises. The continuation of this situation will be detrimental to the country's accumulation [as published], the cause of the four modernizations, the reform and the gradual improvement of the people's livelihood.

Our country began to build socialism on a semifeudal and semicolonial basis so our foundation is poor and weak. And because of the long-time interference of the "leftist" ideology, the development of our country's productive forces has been affected. So, at present, compared with the advanced countries, our country is still very backward. Although the reform of the economic structure carried out in the urban and rural areas over the past few years has enabled some areas and some people to become rich, as far as the whole country is concerned, the rich areas and rich people are only a minority, and the people in some areas of our country still do not even have enough food to eat and clothes to wear. The life of the people of the whole country is still one of low salaries and a low standard of consumption. To enable all the people of a poor country with a large area and a big population like ours to become rich will naturally require a long process, a process of hard struggle. To be overanxious for quick results will inevitably cause faults in our work; to adopt a wait-and-see attitude cannot cast away the backwardness. Just like what Comrade Deng Xiaoping has pointed out: "We must work hard and with a pioneering spirit if we are to achieve the four modernizations. The fact that China is poor, has weak economic foundations and is backward in education, science and culture means that we have to go through a hard struggle." ("Selected Works of Deng Xiaoping," p 221)

To carry out hard struggles and all causes industriously and thriftily is our fine tradition formed in our long-time revolution and construction. We must not cast away this fine tradition at any time. Even in the future when our life becomes rich, we will still need to greatly advocate the social custom of hard work and plain living. Only by developing the spirit of hard struggle and sticking to the policy of carrying out all causes industriously and thriftily can we create a high degree of spiritual civilization while creating a high degree of material civilization.

4. To Stick to the Education on the Spirit of Working Hard for the Prosperity of the Country and on Resisting the Decadent Ideology of the Bourgeoisie During the Process of Implementing the Policy of Opening Up to the World

Opening up to the world is our unshakable national policy. The experiences of all the countries in the world prove that in order to make a nation strong and a country prosperous, efforts should be made in order to be good at absorbing the advanced knowledge and successful experiences of other nations and other countries in the world. Particularly, in our present times, with the internationalization of economic development and the increasingly frequent economic exchanges among all the countries, modern science and technology have broken through the boundaries of all the nations and countries and have become the common property of the mankind. At the end of the Ching Dynasty of our country, the Kingdom of the Ching Dynasty implemented the closed-door policy so that our country was reduced to a semifeudal and semicolonial society; after entering the socialist period, under the influence of the "leftist" guiding ideology which prevailed for many years in our country, we again implemented the closed-door policy. As a result, our country's modernization process was seriously retarded. So, as far as the inexorable trend of the development of the world economy, science and technology and the historical experiences at home and abroad are concerned, we must cast away the closed-door policy and resolutely carry out the policy of opening up to the world. Otherwise, we will be unable to modernize our country. Beijing city's experience in implementing the policy of opening up to the world over the past few years also shows that the policy of opening up to the world is conducive to broadening people's horizons, emancipating people's minds, pushing forward with the progress of our country's science and technology, improving the quality of our enterprises and increasing the economic results. This is the main aspect of the situation. However, we should also clearly know that the opening up to the world has unavoidably brought in the influence of some bourgeois ideologies and life styles which have corroded some people who have developed the trend of the bourgeois individualism and liberalization. One of the important tasks of the ideological and political work is to educate people to resolutely resist the corrosive influence of the decadent bourgeois ideology and stick to the revolutionary spirit of self-reliance and the spirit of working hard to become stronger while resolutely carrying out the policy of opening up to the world.

We should clearly know that the aim of our implementing the policy of opening up to the world and importing advanced foreign science and technology as well as management experiences is to make those things serve us, strengthen the basis of self-reliance and build the socialist material civilization. Therefore, implementing the policy of opening up to the world does not mean to indiscriminately copy foreign things and nor does it mean to "Westernize everything." The modernization we are building is a socialist modernization so our building of the material civilization must stick to the socialist road and serve the general aim of socialist construction. This is fundamentally different from the building of the capitalist material civilization. We must not fail to see the serious social problems and class contradictions that occur in the capitalist material civilization simply because we have imported some things. What is more, we must not blindly publicize the capitalist spiritual civilization, and instead, we must use a Marxist stand, viewpoint and method to analyze it. We must not only refuse to import the reactionary and decadent foreign things, including the decadent bourgeois life style but also resolutely resist and criticize them so as to resolutely discard them. Otherwise, they will corrode our contingent, harm our cause and even cause our party and country to deteriorate. We should widely carry out propaganda and education and conduct thoroughgoing and painstaking ideological and political work to enable the broad masses of cadres and people to consciously and resolutely implement the policy of opening up to the world on the one hand and continue to raise their Marxist ideological standard and their ability of distinguishing things on the other hand so as to enable them to consciously resist the corrosive influence of the bourgeois life style and the decadent bourgeois ideology.

In the new historical period, the ideological and political work is still the lifeblood of all economic work. So, we must carry out thorough discussions and research on the characteristics and the law of the ideological and political work in the new historical period, apply the fine traditions and good methods of our party's ideological and political work to the new socialist historical period and sum up the new experiences and new methods which conform to the new situation and the new conditions so as to enable the ideological and political work, which is also a school of science, to blaze new trails and achieve new development.

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BUILD THE SOCIALIST SPIRITUAL CIVILIZATION OF THE SPECIAL ZONE WHILE IMPLEMENTING THE OPEN-DOOR POLICY AND CARRYING OUT REFORMS

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[Article by Liang Xiang [2733 3276]]

[Text] The building of socialist spiritual civilization in the Shenzhen SEZ [special economic zone] is being carried out in conditions of opening to the outside world and structural reforms. In the last 6 years, under the leadership of the party Central Committee and the Guangdong provincial committee, the building of spiritual civilization in the SEZ has, together with the building of a material civilization, achieved pleasing results. Now the SEZ has developed to a new stage and it is necessary to seriously sum up experiences so as to be able to better engage in the building of spiritual civilization in the SEZ.

I. Unify Ideas, Fully Recognize the Urgency, Arduousness and Feasibility of Doing Well in the Building of Spiritual Civilization in the SEZ

In the building of the Shenzhen SEZ, in what position must the building of spiritual civilization be placed and can it be carried out well? People cannot have a clear understanding of these questions from the beginning. In order to do well in the building of spiritual civilization in the SEZ, we must unify the ideas of the SEZ cadres and masses with the strategic concepts and the principles and policies of the party Central Committee in running the SEZ. Their ideas must also be unified in recognizing the urgency, arduousness and feasibility of the building of spiritual civilization in the SEZ.

Building socialist spiritual civilization is a pressing task for the Shenzhen SEZ. First, this is determined by the strategic position of the building of socialist spiritual civilization in socialist modernization. Socialist modernization has as its center developing the economy. At the same time, there must be the building of spiritual civilization so as to guarantee a correct and healthy direction of development for material civilization. Second, this is determined by the mission shouldered by the Shenzhen SEZ and the special environment it faces. The Shenzhen SEZ is a forward position in our nation's opening up and an experimental area for structural reforms, and has many special and complicated conditions which differ from those in the hinterland. It can quite quickly and quite directly learn advanced things from Hong Kong and from foreign countries. This is a beneficial condition. It also receives quite a lot of influence of decadent bourgeois ideology and lifestyles and the influence of the idea of "seeking money in everything." This is a disadvantageous condition. Grasping the building of spiritual civilization firmly and well is an objective demand for the development of the SEZ. It is also the ardent hope of the party Central Committee and the people of the whole country for the SEZ. Seen from the development of the SEZ, the main activities over the last few years have been the laying down of a base and the building of a good investment environment. A good investment environment includes a good social mien and social order. Only in this way can Hong Kong businessmen, foreign businessmen and hinterland units have a feeling of security and trust in their investment. The Central Committee requires the SEZ to provide technology, experiences and skilled personnel. If we do not engage in the building of socialist spiritual civilization, not only will we not meet the requirements of the Central Committee, but it will result in overall SEZ construction taking the wrong road. In deciding whether the SEZ is operating successfully or not, we have to look at the speed of construction and the degree of opening to the outside world as well as look at the social mien and the people's ideological plane and cultural levels. Thus, the building of spiritual civilization in the SEZ is not an optional thing which can be carried out at any time, but is a major matter related to whether the SEZ succeeds or fails.

Of course, building spiritual civilization in the SEZ is not going to be an easy matter. It is not something which can be easily done well in the wake of economic construction. The difficulties of building socialist spiritual civilization in the SEZ lie in: 1) We must fully take into consideration that the opening up and reforms will cause the closed and semiclosed economy to develop toward an outward-oriented economy and will cause the ossified or semiossified structures to become enlivened and will change to where market regulation becomes the main part of the economy. These situations will inevitably have a deep effect on the ideological concepts, spiritual conditions and lifestyles of the cadres and the masses within the SEZ and will lead to great changes. 2) The special zone construction is being carried out surrounded by a rural environment and a large number of peasants. In the process by which villages are becoming towns and by which peasants are becoming workers, we must pay attention to helping the peasants and the urban residents (many of whom have just transferred from the villages) to eliminate the vestiges of the feudalism which has existed for thousands of years, and to overcome the various types of old, backward consciousness, old ways and old customs. 3) Through opening up, the objective possibility of learning about capitalist ideas and culture has been provided to the cadres and masses of the SEZ. However, deeply understanding its origin and development, clearly understanding its nature and development trends and resisting its decadent ideological influence requires arduous efforts. 4) In order to reduce and eliminate the influence of decadent bourgeois culture, the SEZ must adopt a positive attitude and greatly develop its own socialist ideology and culture, so that it not only can play a positive role in enriching people's spiritual lives, raising the ideological plane and changing the social mien, but can also have a positive effect in foreign dealings. However, these are not things which can be accomplished in one move.

The task of building spiritual civilization in the SEZ is quite an arduous task, requiring more effort than is required in the hinterland. However, we should recognize our beneficial conditions for overcoming the difficulties: 1) The building of socialist spiritual civilization is consistent with the nature of the SEZ and the demands of development. We are running a socialist SEZ, the economic activities of which have the national socialist economy as a rear area and which are subject to the macroeconomic guidance of state planning. Although the various economic components coexist and compete against each other in the SEZ, overall, they are serving socialist modernization. The demands of SEZ development strategy are to raise its own overall capacity to serve socialist modernization, and to bring into play to the greatest degree possible, the role of the "four windows" of technology, management, knowledge and external policies, and of the "two radiating fans" one facing internally and the other facing externally. This demands, and is also beneficial to building, a highly developed system of socialist spiritual civilization. 2) Through opening up to the outside world and expanding ideological and cultural interflow with the outside world, we can expand our vision, liberate our ideas, increase our knowledge, learn selective lessons and draw in those things and forms which are rich in socialist spiritual civilization.

At present, the majority of the party members, cadres and masses within the SEZ have positively gone forward, developed ahead and been diligent in study and work. Also, their political and cultural qualities have seen a clear improvement. Party and CYL organizations have, through reorganization, been consolidated and strengthened, and social atmosphere and social order are both good. The borders are stable and not only has the outward flow stopped but over 1,000 persons have returned from Hong Kong to stay. Last year, after the national delegates conference, we called a city experience exchange meeting on education in the "four haves," that is, having ideals, having morality, having culture and having discipline. On the basis of a unified understanding by the whole city's cadres and masses, we confidently formulated and promulgated the "Program for the Building of Socialist Spiritual Civilization in the Shenzhen SEZ." This clearly set down the pace, tasks, goals, position and methods of building spiritual civilization in the Shenzhen SEZ. This is another side of the SEZ development blueprint which follows the economic development for the Shenzhen SEZ during the Seventh 5-Year Plan.

II. The Central Link in Building Spiritual Civilization Is Strengthening Education in Communist Ideology and Opposing the Corrosive Influence of Decadent Bourgeois Ideology

In the development of the SEZ economy, special policies and flexible measures have been implemented. This does not mean however that in the political arena, we can follow separate arrangements or that in ideology we can divorce ourselves from the communist ideological system. Rather, on the political level, we must maintain a unity with the whole nation and the Central Committee, adhere to the four basic principles and build a socialist spiritual civilization with communist ideology as its core. Building the SEZ is an experiment in exploring socialism with Chinese characteristics. In this, only if we have the guidance of a communist ideological system will we be able to achieve success. The Shenzhen SEZ is also a meeting point for the ideas of East and West and the cultures of East and West. The two permeate each other and influence each other. In this situation, only if we take communist ideology, which is the most advanced and most scientific of mankind's ideologies, as the guiding ideology, to arm the minds of the people and to occupy the ideological and cultural fronts, will we be able to resist the corrosion of decadent bourgeois ideology and the feudal ideological vestiges and build well a socialist spiritual civilization.

In carrying out communist ideological education, how can we ensure that we obtain results? Our experience shows us that we must eliminate the former "leftist" influence, avoid empty abstract preaching and simple coercion, tightly combine with the actual situation in the SEZ, have many levels and many forms, clarify the key points, be sure in what we are aiming at, carry it out by both building and demolishing, and strongly guarantee and promote reform, opening up and an enlivened economy.

In the last few years, we have broadly and deeply carried out education in patriotism, ideals, morality and law and discipline. When carrying out education in patriotism, we have paid attention to using the reality of China's modern history, especially historical facts about the Shenzhen SEZ to stimulate people's patriotic zeal and sense of national self-respect and their resolve to invigorate China. At the same time, we have educated the people of the SEZ in the guiding ideology--"the whole country supporting the SEZ and the SEZ serving the whole country"--so as to arouse an enthusiasm for construction, whereby they would put their efforts into building the SEZ well and win honor for the nation. In the process of carrying out education in ideals, we have paid attention to educating party members, cadres and young people to establish communist ideals and to combine these ideals with their own work and unify them with the party's current policies on running the SEZ well. We have encouraged everybody in their different posts and positions to put all their hearts into serving the people and to make a contribution to building the SEZ well. When carrying out education in morality, we have emphasized educating the great number of cadres and the masses to establish a professional and social morality so that they handle well the questions of love, marriage and family, and establish a new-style relationship of mutual help between people.

In carrying out education in communist ideology, we need to have a clear aim. It must be aimed at the corrosiveness of decadent bourgeois ideology, aimed at that extreme individualism whereby people openly advocate harming the state to obtain private gain and harming others to benefit oneself, and aimed at the worship of money, where "everything is done for money" and where any means are adopted to make money as well as at the vulgar philistine lifestyles. In opposing the corrosion of bourgeois ideology, the key lies in raising people's ability to differentiate, oppose and become immune to it. We have regularly carried out for the cadres and the masses, education in comparing the two systems and two types of ideology of socialism and capitalism. In this way, everyone can differentiate what is progressive, what is decadent, what should be drawn on and what should be rejected. In urging struggle against corrosion, it is not done like what was done in the past with movements and mass criticism. Apart from using the law to handle those who violate law and discipline, the majority of the measures run through normal daily life and work. In providing normal education, enlightenment and guidance, we allow the masses to increase their immunity themselves and establish a correct outlook on life and form a healthy, positive social atmosphere and lifestyle.

In carrying out education in communism, we have paid special attention to young people who form two-thirds of the population in the SEZ, and have adopted forms and methods which accord with the characteristics of young people. For example, leaders have had direct talks with the masses and heart-to-heart talks have been carried out. Also, Zhang Haidi and PLA models have been invited to make reports in speeches before the CYL. Also, "ten outstanding young people of Shenzhen" have been selected and a high tide of "studying heroic models and manifesting this in actions" has been set off among the young people of the SEZ. Further, among the young people, reading activities for invigorating China and various types of recreation and sports activities have been arranged. Through these activities, the physical and mental health of the young people and their political growth have been promoted. Just in 1984 and 1985, over 1,300 young people throughout the city entered the party and 10,000 young people entered the CYL.

In the last few years, through centralized rotational training in the party school, through running classes on various fronts, asking specialists to come and lecture, and calling theoretical research meetings, we have organized the cadres and staff and workers to study the basic principles of Marxism-Leninism and the various principles and policies of the Central Committee on building the SEZ. Thereby, we have helped everybody master the ideological weapon of Marxism-Leninism, and adopt a communist outlook on life and a communist world view. Each year, we have commended a large number of advanced party branches and outstanding party members, cited a number of labor models, outstanding young people and "March 8" red-banner pacesetters. All counties and regions and all systems and units have selected a number of localities, systems and advanced unit models. As to those people whose revolutionary willingness has declined and who have lost their ideals, we have strongly carried out education for them through criticism. We have also resolutely attacked criminal activities in the economic area and other criminal activities, and in major matters we have investigated the cases to the end and provided firm punishment in accordance with the law. In this way, we have allowed people to compare the positive and negative sides of actual life and thereby become enlightened and educated. Our city has also established systems whereby major responsible persons from various levels of party organization participate in making reports on the situation and current events. It has also formulated post responsibility systems for ideological and political work in enterprise and party organization and an examination system for cadres in regularizing theory study. Through repeated exploration we have gradually realized ideological education work with rules to follow, regulations to rely on and responsibility which can be examined. At the same time, we have paid attention to strengthening the building of ideological and political work teams and continually improved the quality of political work cadres. Shenzhen University has bravely reformed the school's ideological and political work systems and brought into play the roles of leaders, teachers and students, and established effective ideological and political teams who have not been released from other duties. These together do well in ideological education work for cadres and have achieved quite good results. We have also positively utilized social forces, motivated the enthusiasm of the various departments, various units and the vast number of cadres and the masses, brought into play the role of the border defense and armed police forces and developed activities whereby the Army and the people build spiritual civilization together.

III. Strengthening Party Building Is the Key To Doing Well in the Building of Spiritual Civilization in the SEZ

The SEZ is like the rest of the country in that, in carrying out the building of spiritual civilization, the key lies in strengthening party building. Strengthening party building means guaranteeing that every department and every unit in the SEZ has a core of leadership which is armed with Marxism-Leninism and is upright in its ideological style, and which maintains the unity with the party Central Committee. It also requires that in the building of spiritual civilization, we must fully bring into play the role of party organizations as fighting forces and party members as models so that a basic turn for the better in party style spurs on a basic turn for the better in civilian style. This is of great significance in guaranteeing that the SEZ follows a socialist direction in its development.

Opening up to the outside world has resulted in the various levels of party members and the vast numbers of party members and cadres in the SEZ facing new tests. In the process of coming into contact with international capital and carrying out various reforms, higher and stricter demands have been made on their political quality and ideological character. Since the SEZ was established, the majority of party members and cadres have been subject to tests, but in the face of the corrosion of decadent bourgeois ideology, they have maintained the true qualities of communists. However, a small number of people have been corrupted. They have harmed the party's reputation, obstructed a turn for the better in social atmosphere and also affected economic construction in the SEZ.

In the last few years, in grasping party building, we have particularly grasped the correction of party style. First, we have carried out deep education in party spirit, party style and party discipline. We have educated the large number of party members and cadres to bear in mind the party's aim of serving the people with all one's heart and mind and to strengthen the idea of the overall situation, and the idea of policy, of discipline and of law. In accordance with the actual situation in the SEZ, we have stressed that party members and cadres must be honest in performing their official duties. We have also formulated the "Rules for Cadres of Shenzhen City." These require the cadres, in foreign dealings, to be honest in their duties. They especially require that party-member leading cadres in party and government organs play a model role. Second, in combining with party rectification and firmly correcting unhealthy trends, we have used some of the examples uncovered by establishing advanced models and by party rectification, and carried out education for the party members and cadres from both the positive and negative sides. At the beginning of this year, we seriously transmitted and implemented the spirit of the party Central Committee with respect to readjusting the leading organs' work styles. Proceeding from the leading organs, the leading cadres set the example, and carried out readjustment with respect to unhealthy tendencies in six respects, including the use of sedan cars, going to Hong Kong and abroad, and employing public funds to fit up private houses.

In strengthening party building and doing well in party style, as far as the Shenzhen SEZ is concerned, a very important aspect is bringing into play the guarantor and supervisory roles of party organizations in economic work and correcting professional guiding ideology so that economic development work follows a correct development direction. The Shenzhen SEZ is engaged in large-scale economic construction and the enterprise unit's autonomy is very large. Whether professional guiding ideology is correct or not and whether it can handle well the relationships between overall and partial interests, long-term interests and immediate interests, between collective interests and individual interests, and the relationship between economic benefits and social benefits will have a great influence on the development of the SEZ. A great number of party members have taken on the task of leadership and the condition of the ideological style of party members directly affects professional guiding ideology. Thus, in educating the party members, we must firmly adhere to party principles, consider the overall situation, take the lead in correctly implementing the party's principles and policies, observe the law, correct the improper tendencies in economic activities and guarantee that on the enterprise leadership level there is a correct professional guiding ideology.

In strengthening party building in the SEZ, a new important factor is that we must stress the building of party organizations in solely-funded, jointly-funded and Chinese-foreign joint-venture enterprises. There are many of these types of enterprises in Shenzhen. The output value of such industrial enterprises accounts for half of the city's total industrial output value. In the last few years, we have paid attention to summing up the experiences of establishing party organizations in these types of enterprises and called many discussion meetings on ideological and political work, to exchange and spread advanced and model experiences. On the basis of practice we have formulated "Temporary Regulations on Party Organization's Work in Chinese-Foreign Joint Enterprises in the Shenzhen SEZ." These provide clear stipulations with respect to the role, task, organizational form and ideological work of party organizations within these types of enterprises as well as the requirements of party members. This has ensured that there are rules to follow in work and also clears away the misgivings of the investors and strengthens the cooperative relationships between the two sides so that together they promote the development of the enterprise. Some party members who work in these types of enterprises have implemented policies, worked hard and brought into play quite well the role of party members as advanced models. Thereby they have raised the prestige of the party and established a good image for the party.

IV. In the Building of Spiritual Civilization in the SEZ, We Must Master Policy and Correctly Handle Several Relationships

1. Importing and Resisting. Since establishing the SEZ, external economic intercourse and cultural interflow have become increasingly more frequent. We have paid attention to worldwide superiority and put effort into importing advanced science and technology, management experiences and advanced ideas and culture which accord with our national conditions. We have also used as reference various new concepts formed on the basis of modern science and modern life, and also firmly resisted the decadent ideologies and lifestyles of capitalism. We have opposed both closing the the country to international intercourse and also the national nihilism which holds that all things foreign are good and thus does not differentiate good and bad and copies everything. We have firmly used a Marxist stand, views and methods to differentiate which of the foreign ideologies, culture and management forms are good and which are bad. Thus we have been able to take the essence and reject the dross.

2. Guidance and Obstruction. We believe that with respect to the overall building of spiritual civilization, we should combine "obstruction" and "guidance" but should take "guidance" as the main part. On the one hand, in order to consolidate and develop the socialist ideological and cultural position, and guarantee the healthy development of the younger generation, we have adopted strong measures and obstructed the circulation channels of all the repulsive things of capitalism and feudalism. We have firmly struck against the smuggling activities which involve obscene videotapes and pictorial magazines, banned the circulation of these goods in the society and strictly examined the contents of imported movies. On the other hand, we have put great efforts into doing well in guidance work and actively developed various types of regular ideological and cultural activity channels. We have often arranged book fairs, and calligraphy displays, regularly arranged literature and art performances and various types of scientific research meetings, and invited Hong Kong and Macao as well as foreign groups and individuals to participate. This has provided avenues by which to draw in foreign ideas and culture. We have actively developed culture and education in the SEZ, set up 10 papers and journals including the SHENZHEN TEQU BAO and TEQU WENXUE. Also eight large cultural facilities, including science halls, libraries and gymnasia have been set up, and various types of literature and art evenings, masses' singing events and city-wide sports activities have been staged. These have guided people's interests toward healthy, beneficial cultural and sports activities, molded people's ideology and sentiments and achieved quite good results.

3. Enlivening and Strengthening Management. Following the development of opening up and reform, the level of the material lives of the people in the SEZ have increased swiftly and we have increasingly wide interest in cultural activities and increasingly high demands in terms of spiritual activities. The former poor, uninteresting and inflexible entertainment activities clearly could not satisfy this demand. In order to accord with this situation, we have put great efforts into enlivening cultural life. The city has successively opened a number of music teahouses, dance halls and other recreation areas. We have also supported and encouraged those units with the conditions to arrange spare-time literature and art troupes and to develop mass cultural and entertainment activities. At present, there are 10-plus enterprise spare-time literature and art performance troupes. The Luohu District spare-time art troupe has performed in Zhuhai, Hainan and Hong Kong, and been well received in these places. At present, the social and cultural life of the SEZ is becoming increasingly vigorous. Of course, at the same time as enlivening, we have to strengthen management and achieve management at the same time as enlivening, so that the vigor will not turn into disorder. We have promulgated and implemented the "Social and Cultural Management Regulations for Shenzhen City" which sets down regulations in respect of the contents of programs performed in business-type entertainment venues. These must go through relevant departments for approval and supervision, and the healthy entertainment programs are given necessary support. As to the small number of illegal cultural activities run in order to obtain money, they are seriously handled as soon as they are discovered.

4. Differential Treatment and General Demands. Since opening to the outside world, more and more foreigners and Hong Kong and Macao compatriots have come to the SEZ. This requires that we have basically different targets and must have differential treatment. In morality and lifestyle, in our treatment of the SEZ's cadres and masses, and especially in respect of leading cadres, we need to be quite strict. However, in respect of the foreigners and Hong Kong, Macao and Taiwan compatriots who work in the SEZ, we cannot be overexacting. We should do what we can to satisfy their rational requirements in work and life and allow them, within the scope of the law, to do what they want to do. Their legitimate rights are protected by our nation's laws. The SEZ is a part of socialist China and it must safeguard the state's sovereign rights and national dignity. Before our nation's sacred law, all are equal regardless of whether they are cadres or masses of the SEZ, foreigners, or Hong Kong, Macao or Taiwan compatriots. They must all spontaneously abide by our nation's laws and regulations and all violations will be handled in accordance with the law. Several years ago, we strongly struck at Hong Kong Secret Society members who came across the border to engage in activities, and also strictly handled some Hong Kong persons who engaged in illegal activities in the SEZ. Good results were achieved in this and they were praised by foreign businessmen and the vast numbers of Hong Kong and Macao compatriots. Facts have proved that doing things in this way helps increase businessman's sense of security and trust with respect to his investment and thus promotes the importation of foreign capital.

Building a high degree of socialist spiritual civilization is a component part of Shenzhen's social development strategy. It is an important task given to the SEZ by the Central Committee. In the last few years, we have done some work, carried out preliminary exploration and brought into play the role of spiritual civilization in promoting the building of material civilization. Practice has proven that if we persist in grasping the "two civilizations" together and doing well in the social systems engineering of building spiritual civilization, then we will certainly be able to guarantee that the SEZ will definitely develop quickly and healthily in a socialist direction.

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IMPLEMENT THE 'DOUBLE HUNDRED' POLICY, DEVELOP THEORIES OF LITERATURE AND ART--ROUNDUP ON THE LITERATURE AND ART FORUM SPONSORED BY THE RED FLAG EDITORIAL DEPARTMENT

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[Text] While marking the 30th anniversary of the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," on 16 May the RED FLAG Editorial Board invited over 40 literature and art theorists, critics, writers, professors, and editors who were in Beijing to a forum on further implementing the "double hundred" principle and invigorating the theories and criticism of literature and art. The atmosphere was enthusiastic at the forum, and each participant aired his own views, giving full expression to the spirit of letting a hundred schools contend.

RED FLAG deputy chief editor Wang Renzhi and Ma Zhongyang attended the forum. Comrade Wang Renzhi said that under the leadership of our party, the people in the whole country are engaging in a great cause of building socialism with Chinese characteristics. Therefore, we should carry reform in every field; and the reform has set many new tasks for study by theory workers, including literary theory workers, and provided a vast field for theory workers to bring their talent into full play. In order to resolve the issues coming up in the reform and unflinchingly push the reform forward, we should make realistic and creative explorations under the guidance of Marxism. This is a demand of the times. While making explorations, there might be varied and different viewpoints and opinions. Some of these opinions and viewpoints might be correct or basically correct, and some might be incorrect or completely incorrect; some might proceed from the actual conditions and suit the development of Marxism, and some might be unrealistic and deviate from Marxism on this or that issue. This is not only unavoidable but also completely normal. At present, there are many divergent views on the literature and art theories. The correct way of making a clear distinction between right and wrong is to implement the "double hundred" principle and present the facts and reason things out through fair discussions and comradely debates over divergent opinions to seek the truth. All kinds of academic issues can be discussed. In the discussions, we should neither randomly stick political labels on academic errors nor describe normal academic discussion and criticism as political criticism. Both cases are bad for creating an atmosphere of harmony and concord and for unfolding contending and blooming. The RED FLAG journal of ours should resolutely carry out the "double hundred" policy. In the eighth issue of this year, we published Comrade Chen Yong's article "On Methodology in the Study of Literature and Art." Before and after the publication of the article, we repeatedly asked Comrade Liu Zaifu to write articles to expound his views. We also welcomed other comrades with different opinions to write articles for our journal. We hope that, through discussions and contentions, we can contribute to the development of the literature and art theories of Marxism. At this forum of today, we hope that all participants will fully air their views on the study of literature and art theories and the criticism of literature and art and on how to better implement the "double hundred" principle.

Some participants also reviewed the history of 30 years since the proposition of the "double hundred" principle. They hold that reviewing the history of the "double hundred" principle and summing up the negative and positive experiences have both important theoretical significance and realistic significance.

Many comrades pointed out that since the 3d Plenum of the 11th CPC Central Committee, the free and relaxed atmosphere in the literature and art field in our country has been unprecedented. This has been the best period for the implementation of the "double hundred" policy. Nevertheless, there are still many shortcomings. For example, some comrades believe that a lively and vivid atmosphere for academic contention has not yet been well formed, and people are still not used to active dialogue and warm contentions. At one time, some people with a certain viewpoint are very lively while people with another keep silent; at another time, those who were silent before make speeches one after another while those who were active become silent. Obviously, this is not a normal phenomenon.

In the light of their personal feelings, some comrades pointed out that the psychological state of "having a lingering fear" has not yet been eliminated. Some even have "a fear in advance" in the writing process. Some writers just write but do not air views for fear of running into troubles. This shows that a lot of work needs to be done to effectively carry out the "double hundred" principle. For example, it is very necessary to strengthen the mental state of contention and perfect the concept of contention. Some comrades said that originally the word "criticism" was a neutral word with a connotation of affirming positive things and negating negative things. However, the previous political movements have made this word sound very terrifying. This also is not normal.

Some comrades said that now some publications only like to publish articles having views agreeable to them. Some articles have even negated Lu Xun, the "Talks at the Yenan Forum of Literature and Art" by Mao Zedong, and "Life Is the Only Fountainhead of Literature and Art Creation." The viewpoint of literature and art being a reflection of life expressed in the "Talks at the Yenan Forum of Literature and Art" has also been regarded as "mechanical materialism" and "intuitionist theory of reflection." Furthermore, these publications refuse to publish articles of different views on the ground of being "orthodox," "conservative," and "having nothing new." Obviously, this state of affairs does not accord with the demands of the "double hundred" principle.

On the issue of how to further implement the "double hundred" principle, the participants expressed many opinions.

Some comrades pointed out that it is necessary to further create a relaxed environment and encourage people to be bold in making explorations and brave in blazing new trails. They said that at present, because the policy of opening up to the outside world and invigorating the domestic economy has been adopted in the economic reform in our country, it is also necessary to adapt ourselves to this kind of situation in ideology and theory and form a more inspiring mental state of daring to speak and think. To develop theory, a nation or a country must have a social atmosphere in which people can think and discuss freely. As reform is allowed to make mistakes, exploration in ideology and theory should also be allowed to make mistakes. Sometimes, blazing new trails and making mistakes are mixed up with each other. The burgeoning new things and concepts are often imperfect, have various shortcomings, and are not readily recognized by people. Sometimes, outmoded things also crop up in a "new" posture. Regarding the various divergent viewpoints and understandings, we should neither readily make conclusions nor post political rulings but make a clear distinction between right and wrong by realistically letting a hundred schools of thought contend. Through the contending, the truth will gradually become distinct and wrong understandings can also be really convincingly clarified. While unfolding contentions and discussions, the participants should, on the one hand, be confident of themselves, but on the other hand, not stubbornly adhere to their opinions, believing that their viewpoints are surely completely correct. They must be good at fairly and objectively discovering the rational things in other people's viewpoints. Even immature or erroneous things embody grains of truth. Being free from sectarian bias, the contenders should vie with each other in contributing to the discovery and development of truth and unite to assiduously seek truth. Some comrades said that it won't do that while some people are arduously making explorations, some other people tend to judge the explorations aside. Some comrades said there are two kinds of discussions: First, to only negate others' viewpoints. This kind of discussion does not have much significance. Second, to both criticize others' viewpoints and fully expound and develop their own viewpoints. This kind of discussion is conducive to furthering the discussion. Magazines and newspapers should always find their own topics for discussion, rather than creating more troubles and rushing to criticize a single thing. This would generate tensions and bring pressures to some people and be of no help to the unfolding of discussions.

Some comrades pointed out that while unfolding "letting a hundred schools of thought contend," we must acknowledge that we just cannot predefine some academic theories and concepts as undisputable, because theory and science will not develop in the absence of criticism and contention. The guiding position of Marxism in theory and ideology was established in practice and the struggle for erroneous thoughts. The slogan of "adherence and development" is correct. As the times and situation are developing, we must use new things to enrich the existing theories. Otherwise, the theories will come to a standstill. If we do not put forward new things, adherence will become an empty word. Of course, if we only talk about development divorced from adherence, we cannot have a true development but even lose our bearings.

Some comrades pointed out that some "leftist" shadows now still emerge from time to time, so it is highly necessary to emphasize creating a harmonious environment. In the meantime, under the guidance of the ideology of Marxism, we should continue to adhere to the orientation of socialism, enhance the literature and art workers' sense of social responsibility, and give first priority to social benefit. Our literature and art should serve the people and socialism; the guiding position of Marxism should not be shaken. Some comrades said that we should use the Marxist stand, viewpoint, and method to analyze, study, and draw lessons from Western literature and art ideological and social trends but not blindly copy and use them or regard them as the guiding ideology.

Many comrades said that the key to better implementing the "double hundred" principle lies in leaders. History has shown that obstructions to the implementation of the "double hundred" principle generally do not come from ordinary theory workers and that the attitude of leaders is decisive. Some comrades believe that the leading organs should draw lessons from the previous experiences and lessons, maintain the continuity and stability of the "double hundred" principle, and thoroughly carry it throughout. To create conditions for the implementation of the "double hundred" principle, leaders of literature and art work should primarily actively create a stable, harmonious, and relaxed environment and truly put into effect the policy of three No's. Regarding the rights and wrongs in literature and art theory and creation, we should rely on the literature and art circles to carry out explorations and contentions. Leaders should not make conclusions or at least should have the patience not to make hasty conclusions. Otherwise, it will be unfavorable to carrying out normal discussions. It should take a long time to reach a scientific conclusion on theoretical issues, in particular the more important theoretical issues. It is often of no avail or even against our wishes to act precipitately. Some comrades questioned whether the proposition that "literature and art criticism is a means for the party to lead literature and art" is scientific. Some comrades held that literature and art criticism should still be a means for the party to lead literature and art. In the contentions, leaders should also make speeches, but their speeches must be correct and logical. Thus, leaders making speeches are required to make careful investigations and listen to the opinions of different sides.

Therefore, in implementing the "double hundred" policy, what should the vast numbers of literature and art theory workers do?

Some comrades said that the most effective method of making "letting a hundred schools of thought contend" a custom and further activating literature and art criticism and theory is to vigorously stop making empty talks about the "double hundred" principle itself and, under the guidance of the four cardinal principles, to use our articles and works to participate in the "blooming" and "contending," so as to regularize and normalize the implementation of the "double hundred" principle. Regarding comrades participating in the contending with their actual actions, as long as they do not consciously oppose the four cardinal principles and cudgel people, no matter whether their concepts are correct or considerate or not, we should all adopt a protective attitude toward their actions. As for whether their concepts are correct or embody truth, they can only rely on their own strength to prove and test them in contention, rather than relying on external and artificial protection. Only amid equal discussion and contention can truth display its brilliance. The current situation is that quite a few articles and private conversations are unsatisfied with the situation in which "letting a hundred schools of thought contend" cannot be normally carried out. However, they would refuse others' invitations to write articles to participate in the contentions and accuse others of writing articles to boldly express viewpoints or refute different viewpoints. This is unfavorable to implementation of the "double hundred" policy. It is better for them to display their talents to the full like a soaring dragon and a mounting tiger than to profess love of what they really fear; and it is better for them to shoot an arrow at the target than to keep the arrow in their own hands. At present, it is especially necessary to vigorously support, encourage, and protect practices in which people use their own articles and works to boldly express new viewpoints or refute different viewpoints with direct mention of someone's name in defiance to accusations and criticisms.

Some comrades pointed out that equality must be stressed in the contention. On theoretical and academic issues, no one is allowed the privilege of not being criticized by others, and anyone who is criticized by others is allowed to make countercriticism. In the heat of the debates, it is especially important to keep calm. It is allowed to name people directly, but not allowed to bludgeon and label people and overwhelm people with power at hand. People who are criticized by others should not get nervous and at every turn accuse others of labeling them, but get broad-minded and listen to different opinions. The more famous they are, the more modest they should be. To create a relaxed environment is not only the responsibility of leaders, but also the responsibility of the two parties in contention. We should not just ask others' forgiveness but refuse to forgive others even a little bit. We should not let either party feel constrained. Literature and art criticism should be confined only to literature and art criticism, and theoretical contention should be confined only to theoretical contention. We should not get oversensitive and involved with some personnel and political stories, gossip, prejudices, and suspicions which are sometimes embroidered, malicious, exaggerated, and even deformed. This way of doing things will add obstacles to the implementation of the "double hundred" principle and affect the formation of a relaxed environment. Some comrades pointed out that bludgeoning and labeling people politically is surely sabotage against the harmonious atmosphere, but keeping on good terms with everyone at the expense of principle and making no distinction between right and wrong is not true harmony either. Straightforward and incisive contention can promote both the development of theories and the ideological understanding between comrades and should become a normal order in the theoretical research in literature and art.

Some comrades also pointed out the issue of style of study in the implementation of the "double hundred" principle. They said that some people now do not, or do not often, read books or study the new situation and issues in the reform but crave for inventing "new system." Some people, including some experts, do not have a sound style of study and often make mistakes of common sense in their articles and works. This shows lack of responsibility for the society, in particular the younger generation. Being impatient to make achievements, some people unscrupulously copy the materials and viewpoints in some articles in China and foreign countries and publish them in a hurry. Due to their insufficient knowledge, they often even copy and publish the mistakes of others. If these issues concerning the style of study are not rectified in a timely manner, it will harm both others and self and prevent the contention from building on a scientific basis.

While discussing the article published by Chen Yong in issue No 8 of RED FLAG, some participants held that it is highly necessary for the RED FLAG journal to start the frank and public discussion with direct mention of somebody's name and hoped that the discussion will carry on. Many comrades pointed out that as it is now very difficult to stir up contention and discussion and make criticism and countercriticism, it is a good thing that the RED FLAG journal has published Comrade Chen Yong's article. Regarding some specific contents and wording in the article, the participants expressed various different views.

Some comrades pointed out that Comrade Chen Yong is an old scholar without any secretiveness and has consistent viewpoints which did not change with the changes in situation. Some comrades believe that academically and theoretically speaking some of Comrade Chen Yong's viewpoints are correct; for example, his analytical criticism of Comrade Liu Zaifu's viewpoint regarding people's "passivity" and "activity." However, there were points in the entire critical approach of Chen's article that were open to discussion. In his article, Chen repeatedly mentions that Liu Zaifu's viewpoint is an issue related to the fate of Marxism in China and to the fate of socialist literature and art in China. Such an attitude is far from mild. No matter how wrong Liu's article is, it is, after all, a theoretical and academic issue rather than a political one. Therefore, the conclusion made in Chen's article is excessive. Even though some viewpoints in Liu's article run counter to Marxism, these viewpoints are not serious enough to affect "the fate of Marxism in China." Chen's article says that it is not feasible and practical that Chen's article comments on the characteristics of aesthetics in divorce of an era's political and economic conditions, actual life, and such a basic concept as literature and art being a reflection of life. Nevertheless, it is exactly on this issue that Comrade Chen Yong makes mistakes. As he does not know much about the development of literature and art creation and criticism, the materials he quoted are all very old and even Lenin's analysis of Tolstoy he quoted was made about 70 to 80 years ago. This is in disregard of the rapid breakthrough-like developments made by us in literature and art over the new era of 10 years. This article would be okay if it were written 20 or 30 years ago. Although Chen's article is clear-cut and his meaning is clear, there are gaps in it and he lacks a sense of the age. Therefore, it is not very convincing. It gives people an impression that notwithstanding it is correct, it cannot quench the thirst and solve real problems, and that it is still those things in previous textbooks which we learned before. In comparison, although Liu Zaifu's viewpoint is one-sided and incomplete, the issues put forward in his article are based on facts and the article carries a deep sense of reality, times, and history. Some comrades say that Comrade Liu Zaifu's article is dynamic and dares to absorb new things, has creative spirit, and raises many new issues. Although some of his viewpoints are open to question, they can urge people to think.

Some comrades think that Comrade Chen Yong's article propagates the basic theory of Marxism and that they have not read such an article of great weight for a long time. At present, the reason we should expound once again the basic theory and common knowledge of Marxism is that some people have even forgot them all. Comrade Chen Yong's article has a very strong sense of the times, history, and urgency and is integrated with practice. And this is, in fact, the specific viewpoint of his counterpart's article and some of the ideological trends now arising in literature and art. Some comrades said that Comrade Chen Yong's article is mild and calm and completely rational. Since some articles have suggested the reexamination and reassessment of the basic theories and concepts of our literature over the last few decades in the belief that starting from the 1950's to the present, our literature criticism has been basically the vulgar class struggle theory and the intuitive reflection theory, why can't we say that it is related to the fate of Marxism as well as the fate of socialist literature? Moreover, while mentioning the fate of Marxism and the fate of socialist literature, Chen's article always refers in general to the various abnormal phenomena, totally disregarding or even denouncing the tenets of Marxism, but not to any writer or article in particular. It is true that the rights and wrongs in learning and theory cannot be decided by leaders or newspapers and journals, but it won't do to not allow individuals to write articles with conclusions. Some comrades said that regarding Comrade Liu Zaifu's viewpoints, Chen makes several direct conclusions in his article, like "while negating our mistakes and errors, he has, in fact, negated the Marxist standpoints and methods in connection with these issues altogether," and so on. If even these conclusions are not allowed in writing articles, how could people present their views? We can agree with as well as oppose the viewpoints of Chen Yong's article, but we just cannot say that this is sticking political labels and regarding theoretical and ideological issues as political issues. Pointing out that some views on literature and art of a certain writer are not in accord with or contrary to Marxist theory should remain a matter within the scope of the theoretical and academic field and does not mean issuing a political conclusion on the writer.

All the participants in the forum sincerely hope that the literature and art circles will better implement the "double hundred" principle, enrich and develop Marxist theory through starting frank discussions and mutual criticism, and make socialist literature and art flourish.

Among those who delivered speeches in succession in the forum are Comrades Wang Chunyuan, Qian Zhongwen, Li Helin, Xie Yongwang, Gu Xiang, Zeng Zhennan, Min Ze, Meng Weizai, Liang Guangdi, Cheng Daixi, Chen Suyu, Zheng Bonong, Xu Feiguang, Lu Meilin, Qin Jin, Zhang Jiong, Pang Ranshan, and so on. Those who made written speeches are Comrades Wu Yuanmai, Li Zhun, Zhang Shouying, and so on. Comrades Liu Mingjiu, Zheng Guoquan, Ma Weian, Han Ruiting, Guo Zhigang, Lu Guishan, Lei Da, Li Derun, He Kongzhou, Huang Guozhu, and so on also attended the conference.

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NEW DEVELOPMENT IN THE PARTY'S INTERNATIONAL LIAISON WORK--ON THE CPC'S CONTACTS AND EXCHANGES WITH SOCIALIST PARTIES, SOCIAL DEMOCRATIC PARTIES, AND LABOR PARTIES

Beijing RED FLAG in Chinese No 11, 1 Jun 86 pp 30-32

[Article by Guo Qingshi [6753 1987 0099] and Wu Jun [2976 6511]]

[Text] In its international liaison work, the CPC has gradually readjusted, enriched, and improved its principles and policies since the 3d Plenum of the 11th CPC Central Committee on the basis of summing up its historical experience. The party's international liaison work has developed and become lively, with a new situation arising in it. The CPC has continued to develop and strengthen its friendly relations with communist parties with which it has always maintained close ties. Actively and step by step, it has restored and developed its relations with the communist parties with which its contacts were suspended during the great debate over the international communist movement. In 1978, it began to establish and develop its relations with friendly, progressive political parties in the Third World, including socialist parties. Since the beginning of the 1980's, it has carried out contacts and exchanges with socialist parties, social democratic parties, and labor parties in capitalist countries in Europe and other regions. People in the country and abroad have taken much interest in these contacts and exchanges.

In February 1981, Francois Mitterrand, leader of the French Socialist Party, led a political delegation to China on invitation and established party relations with the CPC. In December 1983, a CPC delegation headed by Comrade Geng Biao paid a return visit to the French Socialist Party. The two parties have kept making exchanges over the last few years. In autumn 1983, (Frederich Halsdenbecker) [Fu li de li xi ha er si teng bei ge 1715 6849 1795 6849 1585 0716 1422 2448 3326 6296 2706] and (Aigon Barr) [Ai gong be er 1002 6300 1572 1422], member of the Presidium of the FRG Social Democratic Party, visited China on different occasions, and dialogue between the two parties started. In May 1984, Chairman Willy Brandt led an FRG Social Democratic Party delegation to China. At a welcome banquet, Comrade Hu Yaobang made a speech entitled "Seek Mutual Understanding and Cooperation in Spite of Differences in the Ideological Field." Both sides unanimously held that they would strengthen their cooperation in safeguarding world peace and promoting South-North dialogue, and decided to keep increasing mutual exchanges. This laid the foundation for mutual understanding and cooperation for both parties. In November 1985, a CPC delegation headed by Comrade Hu Qili paid a friendly visit to the FRG at the invitation of the FRG Social Democratic Party. Through friendly exchanges and sincere conversations, both parties found much common grounds. They are convinced that there will be bright prospects for cooperation between the two parties. The Japanese Socialist Party is an old friend of the Chinese people. It has made important contributions to strengthening friendship between the people of the two countries as well as to the normalization of Sino-Japanese diplomatic relations. The Chinese People's Institute of Foreign Affairs established relations with this party as early as the 1950's. Subsequently relations were established between this party and the China-Japan Friendship Association. Since 1957, this party has sent delegations to China on 11 occasions, and meetings between these delegations and Chinese leaders including Mao Zedong, Zhou Enlai, Deng Xiaoping, and Hu Yaobang were held during their visits to China. In March 1983, formal relations were established between the CPC and the Japanese Socialist Party, thus opening a new chapter in bilateral party relations. In September of the same year, Chairman Masashi Ishihashi led a delegation to China. In October 1984, a CPC delegation headed by Comrade Qiao Shi paid a return visit to the Japanese Socialist Party. Over the last few years, the two parties have strengthened their friendship and cooperation in various fields by expanding their exchanges. The CPC has now established various types of relations and carried out contacts, dialogues, and friendly exchanges with some 30 socialist parties, social democratic parties, and labor parties in Europe, Asia, Africa, Latin America, and Oceania. In October last year, the CPC sent a delegation to a disarmament conference held in Vienna by socialist parties, thus beginning its contacts and exchanges with socialist parties throughout the world.

In accordance with the changes in the international situation and the development of the international workers movement and taking account of the fact that many socialist parties, social democratic parties, and labor parties are friendly and willing to establish ties with the CPC, the CPC has looked upon developing friendly relations with these parties as a new task in its international liaison work. This corresponds with the fundamental interests of the Chinese people and the people in the rest of the world.

The contacts and exchanges between the CPC and socialist parties, social democratic parties, and labor parties are beneficial to world peace. The two superpowers are now engaged in both confrontation and dialogue. They are carrying out sharp contention in various spheres all over the world. In particular, their nuclear arms race has become the main cause of unrest in the international situation and of a world war. Although the force of peace keeps growing, the danger of war still exists. Therefore, safeguarding world peace has become a common wish and strong desire of people throughout the world. The Chinese people love peace, and China's construction requires a peaceful international environment. Peace is where the fundamental interests of the Chinese people lie. Out of consideration for the needs of the times and for the interests and wishes of the people, the CPC has regarded defending world peace as the basic target of its foreign policy. Socialist parties, social democratic parties, and labor parties in many countries stand for defending world peace and easing tension in the international situation. They are opposed to arms races and the danger of war, stand for disarmament, and have regarded the realization of disarmament as one of their highest targets. They denounce the two superpowers for escalating their arms expansion and war preparations. They have actively urged the United States and the Soviet Union to hold disarmament talks and have made quite a number of suggestions on disarmament and easing the tense international situation. They are opposed to foreign military aggression against sovereign countries and to regional military clashes. Some of the parties have taken part in or supported large-scale peace movements. All this gives expression to the fact that the people in their countries dislike wars and have a strong desire for peace. Although these parties have differences of opinion on some international issues and some of their views may be different from those of the CPC, the general demand for defending world peace is unanimous. The friendly contacts and exchanges between the CPC and these parties will play a positive role in developing world peace and the force of peace.

The contacts and exchanges between the CPC and these parties are beneficial to another major issue in today's world--the development of the Third World countries. The key to this issue is that the Third World wants to develop. Only with development of the Third World, can the whole world develop better. China is a Third World country. In the course of making efforts to develop itself, China has always regarded as its internationalist duty its support for the Third World people in their struggle against imperialism, colonialism, hegemonism, and racism as well as in their endeavor to develop their national economies. In today's world, the economic gap between developed countries and Third World countries is not narrowing but expanding. The main cause lies in the unfairness and irrationality of the old international economic order. Therefore, the Third World countries are now making efforts to transform the old international economic order and set up a new one, to improve South-North relations, and to develop South-South cooperation. China and other Third World countries have shared the same historical experiences. Today, they face common or similar tasks and problems. Therefore, our country has put in a particularly important position the work of strengthening unity and economic cooperation with the Third World and of promoting South-South cooperation, and has taken this as the basis of its foreign policy. Socialist parties, social democratic parties, and labor parties in many developed countries have maintained excellent relations with the Third World countries, and such relations have further developed in recent years in terms of morality, politics, and economy. Although their aims of developing relations with the Third World countries are different from ours, they support the Third World countries in their struggle to defend their national independence and develop their national economies. They have suggested that the key to resolving the South-North issue is to reform the current international economic order and to redistribute the resources and wealth in the South and North and that industrial countries should use some of their gross output value to help underdeveloped countries and regions. These suggestions are appreciated by the Third World countries. The contacts and exchanges between the CPC and these parties have helped promote South-North dialogue and cooperation.

The contacts and exchanges between the CPC and socialist parties, social democratic parties, and labor parties are beneficial to improving friendship with their countries and the people of these countries. China has always thought highly of its contacts with the people of various countries and has devoted much attention to improving understanding and friendship between itself and the people in the rest of the world. It has always stood for developing friendly relations with various countries on the basis of the five principles of peaceful coexistence. This is China's principle, and the aim of its diplomatic activities as well. Quite a number of socialist parties, social democratic parties, and labor parties, no matter whether in power or not, have constituted important forces in the political activities in their countries. They have a large number of voters and are quite influential among the masses (including workers, staff, and intellectuals). Some developed countries established diplomatic relations with China while these parties were in power. Therefore, the development of relations between the CPC and these parties has helped improve friendly cooperation between China and these countries and deepen their understanding and friendship.

The contacts between the CPC and these parties are also advantages to the development of the economies of the countries concerned. One of the important causes of China's long-term backwardness is national seclusion. To make the country and the people prosperous, we have decided to implement the policy of opening up to the world; to introduce advanced foreign technology, equipment, managerial experience, capital, and talented people; to further develop the social productive forces; and to speed up socialist modernization. This is our long-term, basic national policy and strategic measure as well. Some of these parties have expressed their willingness to explore ways for economic cooperation with China. The CPC also cherishes the hope of promoting economic cooperation and technological exchange with foreign countries through contacts with these parties. The policy of opening up to the world is implemented in various fields in the course of political, economic, scientific, technological, and cultural exchanges between China and foreign countries. Contacts and exchanges with these parties are in themselves a form of opening up to the world, and these contacts and exchanges are good for China's four socialist modernizations.

In the course of carrying out contacts and exchanges with socialist parties, social democratic parties, and labor parties, the CPC pursues the policy of "seeking mutual understanding and cooperation in spite of differences in the ideological field" and is willing to carry out contacts, exchanges, dialogues, and cooperation with all socialist parties, social democratic parties, and labor parties on the basis of common or similar grounds. Generally speaking, these parties do not agree with communism and have their own explanations of socialism. In our opinion, however, the problems of ideologies, social systems, and development ways should, in the final analysis, be decided by the people of the countries concerned, and differences of opinion on these problems should not become obstacles to mutual understanding and cooperation in various fields. Under new historical conditions, for the sake of preserving world peace and promoting human progress, the CPC's way of seeking mutual understanding and cooperation with socialist parties, social democratic parties, and labor parties in spite of differences in the ideological field is the most suitable choice in exploring new relations. In its contacts and exchanges with these parties, the CPC will always strictly abide by the principles of independence, complete equality, mutual respect, and mutual noninterference in each other's internal affairs. The CPC will not meddle in the internal affairs of these parties, nor will it interfere in the internal affairs of other countries through these parties. Relations between the CPC and other foreign parties are not directed at any third party. Under these policies and principles, the friendly cooperation between the CPC and socialist parties, social democratic parties, and labor parties will certainly undergo further development and consolidation and will thus be advantageous to promoting mutual understanding and friendship between the Chinese people and the people of various countries.

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ACTIVE AND PASSIVE

Beijing RED FLAG in Chinese No 11, 1 Jun 86 pp 33-34

[Article by Jiang Xia [3068 7209]]

[Text] Being active generally means being enthused or making great efforts, somewhat equivalent to what people term "bubbling with enthusiasm." Generally speaking, this state of "bubbling with enthusiasm" should be the basic attitude and an indispensable quality we cadres have toward our work and enterprise. However, if, when old friends meet, they say to each other "all these decades we have been old activists," these words of praise may not necessarily be appropriate. This is because through these years we friends have achieved great successes, met with trials, and committed errors. Under such conditions, being active throughout will need to be concretely analyzed. Although generally speaking the responsibility for errors mostly does not lie with cadres individually, yet lessons can be derived therefrom, one of which is: Being active means that the direction must be correct; direction is related to the whole situation and, if it is not the correct one, then the more active one is the worse the situation may become.

Under the precondition of the general direction being correct, we need to be active and indeed must be active. Incomparable loyalty to, and firm confidence in, communist ideals and the socialist enterprise constitute the firm ideological foundation for being "active." Hence, being active is the manifestation of consciousness. Progress in our enterprise always continuously stirs up man's enthusiasm, firms his confidence, arouses his fighting spirit, makes people go into action, and also encourages people to be active or enthused. This kind of activeness or enthusiasm cannot be bought solely by money. It is an extremely important factor in making us devotedly and stoutly fulfill missions, overcome difficulties, and open the way to creation.

What kind of activeness do we need and what is real activeness? Some comrades appear to overflow with warmheartedness when they talk but when it comes to action they are halfhearted, even to the extent of being like "thunder without a drop of rain." Although this way of being active or enthusiastic cannot be termed "false activeness," at least it is "empty activeness." There are also comrades who, when handling matters, rush headlong into mass action, or behave like a swarm of bees, or "cut through problems at one stroke," showing a surplus of enthusiasm but a lack of premeditation, doing things more or less blindly, one-sidedly, and recklessly, and delighting in pursuing current erroneous high tides. This is so-called "blind activeness." As we understand it, real activeness is nothing more than the display of human conscious initiative. It has two special features: One of them is practicality and performing solid acts; the other is consciousness, guidance by theory, and clear-headedness. Only this kind of activeness is what we urgently need.

As for the display of conscious initiative (that is, being active) we may say a few words here. It is precisely because of the conditions mentioned below that we can judge if there is significance in whether a man is active or not. That is: Be it in the world of nature or human society there exist objective laws which cannot be moved by man's wishes. The development of all things has a definite basis and conditions, and has several kinds of possibility and inevitability which frequently play their role accidentally, and so on. Hence, it is necessary for man to display his subjective initiative in order to understand objective laws and to consciously depend on them and utilize them, endeavor to obtain the realization of possibilities permitted by laws, and thereby obtain his own objectives. If all things in the world are like the eclipse of the moon, which needs no intervention by man (in fact man has no way to intervene), then basically it does not matter whether man is active or not. Or, assuming that all things in the world occur absolutely by accident, with no laws to abide by, then it is also of no consequence if man is active or inactive, and all will depend on luck. From this, we can see that precisely contrasting with the conclusions of certain people all along, the acknowledgement by Marxism of the regulated nature of the world not only does not refute man's objective initiative, but also provides a scientific elucidation of the nature, status, and role of objective initiative. Activeness in this context is activeness which follows objective law and displays subjective initiative. It may also be said to be activeness which seeks truth from facts.

If this is the kind of activeness we need, then naturally we cannot take doing a rush job or a swift job as activeness, nor can we take as activeness all such phenomena in our construction work as blindly seeking excessive speed, and/or targets that are too high, or caring only about speed and not benefits, or seeking only quantity and disregarding quality, or step-by-step enlargement of the scale of many things. Rather, we should take as being active all such scientific attitudes and firm steps as necessarily stressing caution and safety and attaching importance to consolidation, digesting and absorbing, and so forth. Determination of a target must go through a precise scientific study and it should not be too high or too low. We may cite Mencius' words in illustration. He said: "Failing to break a branch of a tree for the elderly is refusing to oblige and not being unable to do so." This is not being active or enthused enough. He also said: "Failing to take Tai Shan in one's arms and fly over the northern sea" is truly inability to do the act and not deliberately refusing to do so, and cannot be said to be passiveness. We should mark clearly the demarcation line and the key is to seek truth from facts.

THE RELATIONSHIP BETWEEN STUDYING MARXISM AND STUDYING MANAGEMENT SCIENCE

Beijing RED FLAG in Chinese No 11, 1 Jun 86 pp 35-37

[Article by Pang Changfu [7894 7022 1381] and Liu Chunjian [0491 2504 1696]]

[Text] In the continuous and penetrating development of socialist modernization and construction in our country today, in order to be competent enough to handle his work, a leader and manager must doubtlessly study with patience the relevant scientific and technological knowledge as well as management science. However, he must not overlook the study and grasping of the basic theories of Marxism. At present, certain comrades have a certain misunderstanding about the relationship between these two sciences; that is, they think that we are now doing construction work, that we most need to study specialized knowledge and management knowledge, and that studying Marxism has no practical significance. This kind of view is biased. This being the case, how should we correctly understand and handle the relationship between studying knowledge in management science and studying Marxist theories?

In socialist China, studying Marxism was in the past, and remains at present, the basic demand of cadres, especially leadership cadres. This is because Marxism is the foundation of the guiding ideology and theory for us to perform well various kinds of work. Lenin said: "We stand completely by the foundation of Marx' theories, because he was the first to convert socialism from an idle dream to a science, lay a firm foundation for this science, and designate the road to follow in continuing to develop and study in detail this science." ("Selected Works of Lenin," Vol 1, p 202) In the building of socialism with Chinese characteristics, the basic foothold is the integration of the basic theories of Marxism and the realities of our country. At present, our country is facing a complex situation of swift development and changes on various sides including the economy, politics, concepts, and social life. It will require a correct world outlook and methodology to correctly understand and master this situation, to study the experiences of success and the lessons of failure in socialist construction, and to draw lessons from the advanced feats in modernization and construction of foreign countries so as to consolidate, digest, improve, and display the strong points and remove the weak points. Lack of a correct guiding ideology will lead to acting blindly and even to the loss of direction.

Taking the full understanding and grasp of Marxism as our most basic study task does not imply that the leadership cadres and management cadres can forsake study in other sectors, in particular becoming lax in the study of knowledge of management science. In reality, the study of Marxism itself calls for the study of other scientific knowledge. Lenin discussed this point at length in his special essay on the "Tasks of the Youth League." He pointed out: To understand only the slogans of communism is all the more dangerous. Marxism is the paragon generated by communism from the knowledge of all mankind. If you believe that "you can become a communist without having grasped the accumulated knowledge of mankind, you have made a great error." ("Selected Works of Lenin," Vol 4, p 347) All comrades who really want to learn and grasp the basic theories of Marxism should learn the basic knowledge of other branches of science. A person poor in knowledge has no way to understand and grasp Marxism. This is to say, the task of studying Marxism requires us to unify it with other studies. To overlook the study of other scientific knowledge, particularly for leadership cadres to neglect the study of the knowledge of management science, will make one incompetent to handle his tasks and also make it difficult to study Marxism well.

The "Decision of the CPC Central Committee on Reform of the Economic Structure" adopted at the 3d Plenum of the 12th CPC Central Committee pointed out: "Reform of the economic structure and development of our national economy badly need a large contingent of managerial and administrative personnel, and especially managers, who are both knowledgeable in modern economics and technology and imbued with a creative, innovative spirit and who are capable of bringing about a new situation in whatever they do. The point now is that our contingent of managerial personnel falls far short of these requirements." Hence, it has formulated plans and adopted necessary measures to strengthen the research on, and application of, management science and to train a large contingent of economic management cadres who are competent in all lines of endeavor and capable of coordinating with each other, so that they can employ modernized scientific management theories to pursue scientific management of socialist economic activities. This is an important link embodying strategic significance in pushing forward reform of the economic structure, continuously raising the planned character of the national economy, and enhancing the general management level and the operation and management level of the enterprises. However, we cannot take an about-turn and claim that studying management science can replace the study of Marxism. Hence, speaking at the party's national congress, Comrade Deng Xiaoping emphatically pointed out that party cadres at various levels, especially leadership cadres, should, in the midst of their busy work, still devote definite time to the study, be "conversant with the basic theories of Marxism, and thereby strengthen the character of our work with regard to principle, system, anticipation, and creativeness." These "four characters" constitute the overall demand on the quality of the leadership cadres in the new period. Of them, the one on being principled is most important. The key point of this so-called principled character is that one must have a correct political direction and maintain a firm character in politics. Firmness in politics is inseparable from firmness in the line of thought. Only people possessing full understanding of the theories of Marxism can consciously and firmly

Is it possible to measure the extent of being active or being passive by means of the yardstick of swiftness or slowness? I do not think so. A definite speed carries an extremely important significance in economic construction. However, if we take the rate of speed required in "disco musical rhythm" and on "high-speed highways" as standards to judge many things in society, and also think that all kinds of slowness are the old custom of the old ox and the dilapidated cart in ancient agricultural society, then we can hardly explain why, up to now, we still have many things which need to be studied carefully and handled with care and patience, in particular why certain things, before they have been fully comprehended, may be put aside for a while, waiting to be studied and for some relatively valid conclusions to be made before action is taken. If, when a new, difficult, and big project is started, we proceed slowly and not rashly, take slow steps and work in a down-to-earth manner, then we are just laying the foundation for its future development in a more stable and sustained manner. This not only is not passiveness but also is a high degree of activeness. Comrade Deng Xiaoping recently said: "Now we slow down the steps a little because we wish to consolidate and digest the fruits of the reform so that subsequently we may pursue an even bigger reform." On the other hand, if we depart from the possibilities of actual conditions and unjustifiably seek a high speed, we may go up for a while but are bound to fall back eventually. This will cause the danger of great ups and downs and there will be no activeness to speak of. Hence, speed and slowness must be suited to the conditions and must be kept in the correct sequence. Naturally, this excludes "slowness" due to ideas of conservatism or cherishing the outmoded and preserving the outworn. Nor does it imply that, because of the need for study and deliberation, in attending to everything the slower the better.

Similarly, cautious deliberation cannot be simply said to be passiveness. Any creative undertaking has definite risks. It is vain to think that we can think out a perfect scheme before putting it into action. However, the creative spirit and even that of running risks is not tantamount to rashness. Rashness can only put things into bad shape. For example, with regard to our reform enterprise, the central authorities have repeatedly reminded us: Be bold and take firm steps; do meticulous planning, proceed cautiously, earnestly carry out experimentation, sum up experiences at all times, and so on. All this asks us to be cautious and conscientious and to perform tasks well. Our ancient sages were also aware that: "Matured thoughts will unearth the reason of things; knowing the reason of things brings success; being sure of success removes skepticism; and not being skeptical means bravery." (Han Feizi: "Jie Lao" [6043 5071]) This kind of "bravery" means being bold and knowledgeable and is well worth promoting. As for being bold but not knowledgeable and inclined to "rashness," we are afraid that it cannot be considered as being active or enthused. Therefore, regarding reform, the active attitude should be the union of being bold and taking firm steps.

Under certain conditions, even "not doing anything" is not being passive but active. In acquiring knowledge, for the sake of being expert in one or two specialities we "banish" other subjects and temporarily do not study them.

that is, "only through putting aside other subjects can you specialize in particular subjects." Naturally, this is an active attitude. In doing our work, if we can differentiate between what is important and what is not, work slowly on some things but ensure the completion of the major points, then it is also an active attitude.

Then again, there is a kind of attitude to life which is the so-called "adapting to circumstances." This no doubt looks like being passive. But if we make a careful analysis, we may find that not the whole of it can be said to be passiveness. Su Shi wrote in one of his poems: "One wishes for rain when tilling the soil but looks for sunshine when harvesting; the outgoing traveler likes a favorable wind but this will bring the oncoming traveler to grief. If everybody's prayers are met, then heaven must change a thousand times a day. I am now carefree and leisurely in life and there is nothing special I can pursue; I can continue in this way if my wishes are met, but the gods will be tired by my many wishes." The first part of this poem imparts a common truth in life, while the latter part describes his attitude of mind in his frustration. His unavoidable grumblings aside, in our actual lives, can we not derive the enlightenment from this poem that it is not practical for one to ask for the satisfaction of each and every one of one's desires? On the other hand, an attitude toward life which does not make such wishes perhaps cannot be branded as passiveness.

What is said above is meant to refer to the dialectic relations between being active and being passive. If there is no clear demarcation between the two, many things cannot be done well. There is no need to mention that at present an active spirit and attitude is needed. Passiveness, interpreted as an attitude of mind, implies being downhearted, unable to do anything, or being cynical, or being dejected or dispirited. Of course this is not the spiritual appearance of an ambitious revolutionary and a pioneer. The glorious task of the new era of socialist modernization and construction demands that this kind of passive attitude be completely banished. On various sides, we should inspire our spirit to perform our task well, give play to the active factors, and overcome the passive factors.

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insist on taking the socialist road, are capable of effectively developing various kinds of work, and work creatively for realizing the party's general tasks of the new period.

It is worthwhile to point out that comrades who have attached importance to studying the knowledge of management science and overlooked the study of Marxist theories obviously do not have full-scale and deep knowledge of management. Management is a most complex area in human practice and activities. Management embodies policymaking, planning, directing, supervising, organizing, auditing, and regulating the activities of the various stages of the gross process in social production. Management science is formed and developed from actual practice in production. It is a scientific system for the comprehensive study of the relationship between the productive forces and production and also of the economic foundation and its upper structures. It is a branch of science in between social science and natural science, is permeated with technological science, and possesses the special features of having many functions, many layers, and many attributes. In order to effectively manage the activities in social production, exchange, distribution, and consumption, leaders and managers in any country must possess corresponding knowledge in social science, natural science, and technological science. As for management science in our country, its theories and system of knowledge are even more complex. It is permeated by the theories of communism, Marxist philosophy, and political economy, and by Marxist theories on the socialist state and law, and so on. If we do not honestly study Marxism, including the important decisions and documents of the party Central Committee since the 3d Plenum of the 11th CPC Central Committee and important talks by leadership cadres of the Central Committee, we shall find it difficult to serve as clear-headed leaders and managers and naturally cannot learn well the knowledge of management science or use it creatively and effectively in actual work. From this, we can see that the structure of the knowledge of socialist management science is formed by the mutual intersection, blending, or permeating of the basic viewpoints and methods of Marxism with the regulatory knowledge relevant to the various phases of social production. This determines that the study of management science cannot for a moment be separated from the basic theories of Marxism. Therefore, we should not take the study of management science and the study of Marxism as opposed to each other and separated from each other.

The major objects of management work are the two big systems of man and materials, with the system of man being the most important. In the system of productive forces and the entire management, man is the most lively, most capable, and most active factor. The fountain of the vitality of enterprises lies in the activism, wisdom, and creative power of the mental and manual workers. "All material factors can be developed and realized only by means of the man factor." ("On the 10 Big Relationships") Hence, performing well the job relative to man and arousing all of man's socialist enthusiasm constitute one of the basic tasks of the management work of socialist states. It would be vain talk if in the socialist period we wished to perform well man's work without the guidance of Marxism. In his important address at the gathering celebrating the 60th anniversary of the founding of our party, Comrade Hu Yaobang pointed out: "The most essential aspect of the party's leadership over the life of the country is to organize and support the people to be masters of the house and to build a new life under socialism." In the various management activities, if only we can, in an overall manner and earnestly, firmly insist on and carry out the above-mentioned viewpoints of Marxism, then the activism, wisdom, and creative power of the broad masses of staff members, workers, and people can be fully displayed, enabling the realization of the best situation of union between man and man and man and materials. In addition, simultaneously with making the maximum contributions to the socialist four modernizations, this can also enable us to correctly understand and handle the interest relationship between the state, the collective, and the individual; enable the workers to obtain the satisfaction they deserve of their rational demands on the material and spiritual sides; and make people feel that in the socialist four modernizations the fruits of their diligent and studious endeavors and contributions have society's acknowledgement and respect, that their warm sentiments for the socialist enterprise have the deserved feedback from society at large, and that in this process their own lofty ideals of staging hard struggles for the communist enterprises are being continuously consolidated and enhanced. In short, management work must ensure that the enterprise or organization must develop healthily on the tracks of construction of socialist material civilization and spiritual civilization and truly become the base area for bringing up a new generation of people who have ideals and are virtuous, cultured, and disciplined. All this can be accomplished only through depending on the basic viewpoints of Marxism infiltrating into the various phases of management work, particularly through making use of Marxist basic theories to perform well man's ideological and political work and continuously improving the level of ideology and theory and the political consciousness of the broad masses of staff members and workers.

This being the case, can it be said that since the system of knowledge in socialist management science has already infiltrated into the basic viewpoints and methodology of socialism, it is no longer necessary to make a further systematic study of Marxism? The answer is no. This is because being merely conversant with individual viewpoints of Marxism manifested and employed in management science is far from being sufficient. Only through studying relatively systematically the basic theories of Marxism in their entirety is it possible to truly comprehensively study and employ well the theories and knowledge of management science and possible to know the facts from theory and reality as well as penetratingly to know the reasons therefor. It is worthwhile pointing out that up to now we still lack a relatively mature system of management science suited to the national conditions of our country. Establishment of such a science must go through the process of guidance by Marxism-Leninism; introducing, selecting, absorbing, and digesting the rational elements of foreign management ideas and methodology; carefully summing up the experiences and lessons of our country in management work over the past several decades; and uniting the new practical experiences to form them into theories. This clearly explains that concurrently with the current studying of knowledge in management science, strengthening the study of the basic theories of Marxism is extremely important. It is true that theoretical workers in management science and comrades engaging in actual leadership and management work may have a different role to play in the creation of a management science that conforms with the national conditions of our country, or they may have views different from each other, yet undoubtedly they will need to directly or indirectly participate in this process. In this process, they cannot depart from the guidance of the basic theories of Marxism which help us to unveil and grasp the management laws of socialist construction regardless of whether in theory or in practice they analyze, or selectively copy and use, foreign theories of management science, or, in combination with the new conditions and new problems in the course of the reform, sum up, in a down-to-earth manner, our own experiences and lessons in past management work. Not to study and grasp the basic theories of Marxism, management science will lose its overall theoretical foundation and a true Marxist management science cannot be created.

Insofar as the construction enterprises of the socialist four modernizations are concerned, studying Marxism and studying the knowledge of management science are both extremely important. Neither one can be overlooked or neglected. If we only attach importance to and stress the study of Marxist theories and make this study separate from the reality of establishing socialism with Chinese characteristics and refute or abolish the study of the knowledge of management science, then historical lessons will prove this to be harmful. On the other hand, if one attaches importance to and stresses the study of the knowledge of management science and overlooks the study of Marxism, then this possibly can lead to the department or unit under one's leadership and management lose the highly effective guidance of Marxism-Leninism and Mao Zedong Thought and, in the new and complex struggles, consciously and unconsciously depart from the direction of Marxism and socialism. Hence, this lopsidedness is worth our earnest attention and rectification. That management cadres possess relatively systematic knowledge of management science is no doubt an advantageous condition for studying Marxist theories; for cadres lacking management knowledge past to strive hard now to learn the knowledge of management science will naturally help in penetratingly studying the theories of Marxism. If only everybody can firmly remember that "if we want realization of the four modernizations in China, it is necessary in ideology and in politics to insist on the four basic principles" ("Selections of Deng Xiaoping's Works," p 150) and attach importance to studying specialized knowledge and also to studying the theories of Marxism, then after making tireless efforts, we surely can make our own political quality and business quality rise to a new level.

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HAVE A FULL UNDERSTANDING OF THE DIFFICULTY AND COMPLEXITY OF SWITCHING FROM AN OLD STRUCTURE TO A NEW ONE

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[Article by Gao Shangquan [7559 1424 0356]]

[Text] The reform of the economic structure in our country has entered into a new stage. The coexistence of the new and old economic structures, their mutual intersection and gradual transition are the most important features of this stage. In the current economic life of our country, the planning mechanism and the market mechanism coexist, planned prices and market prices coexist, the form of direct management and indirect control and adjustment measures coexist, and a vertical organizational structure and a lateral economic organization coexist. All this illustrates that our country's reform has made progress both in depth and in breadth and at the same time shows that the development and reform of our economy are currently facing an extremely contradictory situation. Hence, a correct understanding of the new conditions of the transition period of the new and old structures and solving well the new problems that have arisen have become key points in continuously pushing forward reform of the economic structure in the cities and towns.

Coexistence of the New and Old Structures Is the Inevitable Course of the Reform

Basically speaking, the reform of the economic structure of our country is, on the understanding of a socialist economy being a planned commodity economy based on the system of public ownership, enforcement of a thoroughgoing reform of the ossified old structure which is unsuited to the development of the productive forces and to the gradual establishment of a socialist economic structure which has Chinese characteristics and is full of life and vitality. Precisely because of this significance, the reform is our country's second revolution. However, it is impossible to demolish the old structure at one stroke or to have the new structure set up within a day's time. The replacement of the old structure with the new takes the form of a transition in steps. By so doing, within a definite period of time, economic life in our country is bound to run on two tracks. The appearance of such a situation has deep economic and social causes:

--Our country has a population of 1 billion people and its different localities vary greatly from each other in natural conditions, social conditions and in the level of economic and cultural development. The integration of the basic principles of Marxism with China's national conditions, taking one's own road, and establishing a socialist economic structure with Chinese special characteristics constitute a creative enterprise with no preceding experiences to follow.

--The level of development of the productive forces in our country is relatively low and is still like a second rate economy. Modern industry on a preliminary scale and traditional agriculture and handicraft industry are still coexisting. The comparative prices of industrial and agricultural products are still irrational and the degree of dependence on the market is not unified. This determines that the reform must go hand in hand with economic development. A new economic structure should be built on a structure of modernized productive forces.

--Over the past several years, development of the reform has not been balanced. Rural reform was a step ahead, and has achieved successes. From the microeconomic basis to the form of control and adjustment, it has shifted to the track of a planned commodity economy. Reform in the cities and towns has also achieved important successes in the experimental and probing stages. However, in the urban and rural areas, in state-run and collective enterprises, in the various industries and trades, in the regions and between the various links and stages of economic activities, the demolition of the old structure and establishment of the new structure have not developed in an even manner.

--The switch from the old to the new structure does not imply the simple refutation of the whole old structure. The original economic structure of our country did play an active role but has not followed the development of the economy and made the necessary improvements. In particular, there have been serious drawbacks such as the superstitious belief in mandatory planning and overlooking, even casting aside, the law of value and commodity production. At present, the removal of these drawbacks will require some time and, moreover, on the basis of the public ownership system, to combine well planning with the market will still be the long-term tasks of the theoretical circles and actual workers.

--For a prolonged period, the commodity economy of our country has been in an undeveloped state. There must be a suitable process to make the broad masses of the populace become acquainted with the commodity economy and to understand and grasp the objective laws governing the development of the socialist commodity economy. To train a large number of management personnel suited to the great development of the commodity economy will require all the more time.

Hence, the reform of the economic structure of our country cannot be completed at one stroke, or through achieving victory in a single battle. Rather, it requires a gradual process over a rather prolonged period. In the course of this process, the coexistence of the new and old structures is unavoidable: In the whole economic structure certain portions have been changed, some portions are still in the process of changing, while some other portions are still awaiting the change; a portion of the economic activities have already shifted to the new operating track while another portion has still not yet departed from the original track. The two types of operating mechanisms and the two kinds of management forms do not coexist in a static manner and are not mutually related. Rather, the process is a continuous one of replacing and switching, with one side rising and the other side falling. During the whole Seventh 5-Year Plan period and even a longer period, we shall be in this transitional stage with the new and old structures coexisting and replacing each other.

In the Course of Switching From the Old Structure to the New One, Frictions and Contradictions Inevitably Exist

Double-track coexistence is the inevitable product of the process of switching from the old structure to the new structure and provides the bridge for the ossified old structure to pass over to the new structure that is full of life and vitality. Compared with the old structure's "unifying the universe," double-track operations in the socialist economy doubtlessly represent great progress. However, in the stage of coexistence and replacing each other, the new and old structures, due to the continuous weakening of the original economic structure's administrative planning mechanism and its control and adjustment functions, between the old structure and the new one, the occurrence of serious contradictions and friction cannot be avoided. Moreover, the deepening reform will inevitably touch upon and adjust the original relationships of economic interest while a rational pattern of the new interest relationships cannot be formed all at once. This will result in the unavoidable appearance of certain social difficulties and problems in the economic life of our nation.

First of all, with the coexistence of two kinds of structures, the degree of difficulty of macroeconomic control has considerably increased. Through reform enabling various kinds of economic activities to begin to break through the highly centralized form of unitary planned economy, there has appeared a complex scene of swift development of diversified economic forms, diversified circulation channels and diversified economic liaisons. In economic life, uncertain factors have increased in number while the extent of the "transparent degree" of things has been reduced. This will cause difficulties in the state's statistical, planning and regulatory work on the entire macroeconomic activities. Due to the new controlling mechanism being unable to fully display its functions, frequently it becomes necessary to adopt anew certain traditional direct methods of control. By so doing, two sets of problems may appear. One of them is that it will be easy to return to the old road. The other is that the administrative measures can be effective only for a short while and cannot produce long-range results; they can control only the state-run enterprises but are difficult to control collective and individual enterprises; they will find it easy to control production growth but difficult to restrain the inflation of consumption.

Second, under the conditions of the coexistence of the two kinds of structures, the microeconomic mechanism of the enterprises can hardly be rational. On the one hand, the enterprises, particularly the large and medium-sized enterprises under the system of ownership by the people are still subjected to much administrative intervention and many restrictions and cannot fully display their vitality; on the other hand, the enterprises can see where their own interests lie but the necessary self-restraining mechanism has not yet been formed. Moreover, such basic economic relationships as prices, finance, taxation and so forth have not yet been put in order and since the enterprises vary greatly from each other in their operations, they are unable to compete with each other in conditions of equality. In particular, with the coexistence of planned prices and market prices, it is difficult to evaluate the actual operation benefits of the enterprises. For example, in the same category of steel products manufactured by the same enterprise, the planned allocation prices are lower than those of the free market price of those products of lower quality. The enterprise would thus rather turn out products of lower quality, causing confusion in the functions of the law of value in adjusting production. Hence, the enterprises do not have a strong concept of overall production benefits and are inclined to indulge in irrational short-term practices, and the diseases of "hunger investing" and "competitive distribution" will both erupt easily. Since the enterprises' microeconomic mechanism is irrational, the macroeconomic adjustment measures also do not react sharply, and the state's indirect control cannot achieve its anticipated purposes.

Third, coexistence of the two structures causes many loopholes in economic management. Since the market prices of certain important means of production such as steel materials and motor vehicles and certain durable consumer goods are much higher than their planned prices, and since certain problems still continue to exist in foreign exchange management and control, a small number of people are given the chance to engage in improper practices and may even have the opportunity to commit economic criminal activities. In the process of switching from the old structure to the new one, the enterprises and the market are initially invigorated, but economic legislative and judicial work is still very weak. The necessary inspection, supervision and control work has still fallen behind. In some cases, the demarcation line of policies is not clear enough and, as a result, certain enterprises or individuals have fallen into such practices as trickery and fraud, evading and cheating taxes, inflating prices in another form, generally damaging the interests of the consumers, and so on.

The appearance of these contradictions and problems clearly illustrate the prolonged, difficult and complex character of the transition from the traditional old structure to the new one. How to correctly handle these contradictions and problems has great significance in unifying our ideas and understanding and firmly and irrevocably pushing forward the reform.

Correctly Understanding and Handling the New Problems Arising in the Course of the Reform

Since the all-round reform of the economic reform structure is a big and an extensive, deep, difficult and complex reform, it is virtually impossible to expect that we can smoothly sail along and meet with no obstacles at all. Reform lashes against traditional ideas and customary forces of a fixed nature. Hence, in ideology people should go through a gradual familiarization process, and it is natural that the problems met with in the reform are understood and interpreted differently.

Some comrades believe that, in the final analysis, the appearance of this kind of problem is caused by the reform not being thorough or complete enough and that only through the coordinated reform of the microeconomic mechanism and macroeconomic control can the problems be solved. This is correct. But they have not understood fully well the enormously difficult and complex nature of switching from the old structure to the new one. They have overlooked the restrictions imposed by the various conditions at the present stage and are too eager for immediate success. There are also some comrades who originally had supported the reform but subsequently became skeptical and wavered in their confidence after facing various difficulties, problems and temporary confusion and setbacks. Naturally, there were also people who, from the beginning, had objected to certain of the reforms and when problems arose they came to the conclusion that the reform was wrong. Problems of this kind need to be continuously rectified by means of ideological and political work directly aimed at them as well as education on the basis of the actual practices in the reform.

First of all, it should be clearly pointed out that in recent years the reform had invigorated the economy, promoted the development of the productive forces, improved the standard of living of the people and enabled our country's socialist modernization and construction to display signs of great prosperity. This is the main stream and the essence of things. The problems met with in the progress of the reform no doubt represent the temporary diversions that we will be able to entirely overcome and are actually being overcome. We should not, by any means, see those problems, being like the branch streams in nature, as representing the whole situation and representing the main stream. All the more we should not, because of meeting a few problems and difficulties, allow ourselves to waver in our confidence in the reform. We must firmly insist on taking the basic direction of developing a socialist planned commodity economy and, in accordance with the arrangements made for the reform designated in the CPC Central Committee's proposal on the Seventh 5-Year Plan, determine the objectives to be reached in the reform during the recent period and ensuing intermediate period, truly placing reform in the front rank of all work. Second, we must note, prevent and overcome blind optimism and impetuous sentiments. We must correctly appraise the restraining factors on the reform from various sides at the present stage. In planning the steps to be taken in the reform, we must give full consideration to the tolerance of the economy and society at large and must push forward the reform in a planned and systematic manner. In the actual work of the reform, we must insist on painstakingly guiding, meticulously planning, being devoted wholeheartedly to the job, working cautiously, earnestly carrying out experiments, sharpening the faculty of anticipation, promptly discovering and solving problems encountered in work and doing the utmost to minimize errors. In the course of the coexistence and switching of the two structures, we must show a clear-cut and resolute belief and confidence and an irrevocable determination. At the same time, we must have a clear-headed brain and a practical spirit. It must specially be pointed out: Regarding certain pessimistic phenomena in current economic life such as the improper work style, economic criminal activities, and so forth, we should never consider them as the inevitable results of the reform. Even without the reform, bad winds will still persist, while, as for the economic criminal activities, they existed in the past and can be found now, both within the country and abroad. They cannot be completely eliminated even though a new economic structure has been set up and a healthy legal system is in force. Naturally, due to the reform measures in the course of switching from the old structure to the new one not being coordinated or perfect, certain errors in work may be found and certain unstable factors may appear in economic life. There have been cases in which certain individuals hoisted the flag of reform, took advantage of loopholes in our policies and made private gains. Regarding these problems in the course of the reform, we have the responsibility and full confidence to solve them through determinedly and irrevocably pushing forward the reform.

Although the entire reform of the economic structure involves a gradual advancing process which may extend over a rather prolonged period, it is not advisable to allow this situation of the coexistence of two structures with neither one playing the leading role to drag on for long, otherwise the healthy development of the economy and deepening of the reform may be adversely affected. The Seventh 5-Year Plan period is the key period for the reform of our country's economic structure. In order that next year and in the year after next the reform can take large strides forward and so that our economic structure can enter onto a new track, within the Seventh 5-Year Plan period, it is necessary, beginning from this year, that conditions be created on various sides such as in theory, in economic development and in management and actual practices and that all the difficult and detailed preparation work be done well ahead. At present, it is particularly necessary to continue to strengthen and improve the ideological and political work and to continuously enhance the understanding of and the degree of support to the reform on the part of the broad masses of cadres and people. The ideological and political work must be integrated with the realities of the reform and must be able to solve the skepticism of the populace and increase the interflow of information and of ideological sentiments. After a reform program has been determined, we must proceed with extensive and full propagation work and perform well the ideological preparations.

At the moment, the situation of the reform is a good one. Various countries of socialism have been swept by the tide of the reform. The entire party and people of the entire country have acquired a much clearer understanding of the objectives of the reform, their understanding has become more unified and their determination is much firmer now than before. Through several years of practice and probing work, the road of the reform has become increasingly clear, the experiences of the leadership and the masses have been continuously enriched, and the ability to bear the burden on the part of the economy has been greatly augmented. If only we can grasp this opportune moment, display the spirit of the foolish old man removing the mountain, be firm and irrevocable and work meticulously, then it is certain that we can push the reform a big step forward and speed up the switching from the old structure to a new one.

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INTEGRATE THE STUDY OF ECONOMIC THEORY WITH THE REALITY OF REFORM

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[Article by Wang Shengbang [3769 4141 6721]]

[Text] Since 1984, the Lecturers Group of the Department of Propaganda of the Shijiazhuang Municipal CPC Committee, closely integrating reform of the economic structure with the reality of thought of the cadres, has organized over 20,000 cadres in the municipality to study economic theories of Marxism and has obtained fairly good results. This has enabled the cadres to deepen their understanding of the basic principles of Marxism, enhanced the consciousness of implementing the party's line, guidelines and policies and of wholeheartedly engaging in reform work, strengthened their ability to study and solve new problems and the principled, systematic, anticipatory and creative nature of work, and also aroused their interest and enthusiasm in studying the theories of Marxism. The following are our four major points of procedure and understanding:

I. Insist on Use of New Experiences in Reform of the Economic Structure and New Achievements in Theoretical Studies To Substantiate the Contents of Theoretical Education

The continuous enrichment and development of Marxist theories follow the development of objective practice. The theoretical education of the cadres can reap good effects only through closely following the progress of the times, studying new conditions and explaining new problems. Since the 3d Plenum of the 11th CPC Central Committee, the reform of our economic structure has obtained many new and fresh experiences and the CPC Central Committee has made many new contributions to the economic theories of Marxism. Based on this understanding, in our theoretical education work we have not confined ourselves to past teaching texts, but have boldly cast aside certain outdated contents and enriched the theoretical studies with new achievements. In particular, we have attached importance to absorbing the important theories and viewpoints contained in important documentation and talks by leadership comrades of the party Central Committee. For example, in studying the "socialist economic basis" in political economics, we expostulated the viewpoint that the socialist ownership system must be suited to the demand for development of the productive forces, and explained the reason for small state-run enterprises to enforce the system of being "owned by the state and run by the collective"; of being run on a rental basis; and even of changing small state-run enterprises into collective enterprises. At that time, in our city, there had already been the incident of Comrade Ma Shengli of the Shijiazhuang Paper Mill contracting for state-run enterprises which caused certain cadres to query whether or not contracting by state-run enterprises would imply changing the character of the system of ownership by the whole people. We then examined the relevant material and, from the classical publications of Marxism and the party's documents and writings, learned the theory that the power of ownership and the power of operation can be separated from each other. In classroom lectures we analyzed the problem and explained that contracting merely represented a change in the form of operation and not any change in the ownership system. Moreover, we supported our explanation by citing the lively fact of a notable improvement in economic benefits following "contracting." This made the vast masses of cadres understand, removed their doubts and enhanced their consciousness in promoting the various forms of the contract responsibility system. Following the promulgation of the "Decision of the CPC Central Committee on Reform of the Economic Structure," we actively organized everybody to study, laying stress on helping everybody to study the important theoretical problems well, such as a socialist economy being a planned commodity economy; the basic task of socialism being the development of the social productive forces; the necessity of a socialist economy employing the law of value, socialist competition, and so forth. This made the cadres more deeply understand Marxist economic theories and also raised their consciousness to implement the "Decision" of the CPC Central Committee and to irrevocably perform a good job in reforming the economic structure.

II. Closely Integrate the Realities of Reform of the Economic Structure and Develop Theoretical Education and Theoretical Research

In spring 1984, when we began the study of theories, it was precisely the time when the whole municipality started reform of the economic structure. We clearly advocated that the study of theories must be integrated with practice in reform of the economic structure. In order to banish the old concepts in the minds of the cadres, the old conventions and the influences of "leftist" ideologies, the municipal party committee clearly pointed out that there must be breakthroughs in 10 directions for the liberation of thinking and the policy of liberalization. We then revolved aroud these "10 breakthroughs" and employed the principles of political economics to provide them with theoretical elucidation and explanation. Through making an analysis of the purposes of socialist production and the principles governing material benefits, we explained the theoretical basis of the party's policy of enriching the people, thus leading everybody to set up the ideas of gaining affluence and glory through diligence and hard work. By means of analyzing the state of development of the productive forces at the present stage in our country we proved the objective inevitability of the coexistence of a state-run economy and diversified forms of economy with the state-run economy taking the lead, and to help everybody to break the old concept that "socialism is large in size and collective in nature" and that "only the system of ownership by the whole people is socialism," and to build up the concept of the state, the collective and the individual rising in unison; by means of analyzing the objective demands of distribution according to work, we broke the old concept that "everybody eating from the same big pot" illustrates the strong point of socialism to firmly and irrevocably enforce the principle of distribution according to work, and more work more pay. By means of analyzing that opening up to the outside world is a necessary measure to develop the productive forces we made everybody break the idea of closing the country to international intercourse and standing still refusing to make progress, and so on. By so doing, the broad masses of cadres have deepened their understanding of the "10 breakthrough points" of the municipal party committee and augmented their consciousness in carrying out the reform of the economic structure.

In the course of the reform in our city, we discovered an overall reform road of the "action and reaction" [zhuang ji fan she 2326 2345 0646 1410] type. In this process, we picked out each and every stage of the reform and strived hard to explain it theoretically. The first stage of the reform in our city was to delegate power level by level and invigorate the enterprises. We proceeded to explain in theory the objective inevitability of "contracting" being introduced into the city, thus helping cadres to banish their skepticism. The second stage was the development of horizontal economic combination and we then proceeded to discourse on the reasons for "combination creating new productive forces." The third stage related principally to invigorating large enterprises and linking together microeconomic invigoration and macroeconomic control. Then, in company with the relevant departments, we jointly organized theoretical discussion meetings on the topics of invigorating the large enterprises, comprehensively employing economic levers and bringing into full play the functions of cities and towns. At these meetings, we strived to answer questions that urgently needed elucidation in the actual practices of the reform. Certain leadership comrades of enterprises said: "After learning the theories our vision is widened and our confidence in insisting on the reform and performing the job of management well is all the more strengthened."

In our lectures, we have attached importance to citing illustrations from reform work in the localities. We propagated progressive personages such as Ma Shengli and others, and the experiences of the Dongfang Plasticide jointly operated company in developing horizontal economic combination, and of the First Economic Weaving Plant in introducing the experiences of advanced technology. As for such malicious phenomena as granting excessive bonuses, randomly raising commodity prices and profuse starting of capital construction projects, these were analyzed and criticized from the theoretical standpoint. This not only gave the cadres a feeling of concern, but also drew the leadership of many units to attach importance to the matter and, of their own accord, to narrate to the propaganda department and lecturers groups the conditions of the reform in their own units, and the experiences and problems therein. The municipal party committee and the city government also invited comrades from the propaganda department and the lecturers group to attend certain of their important meetings such as those on planning work, report meetings on reform of the economic structure, on-the-spot meetings touching on management objectives of the enterprises, and so forth. This provided us with the opportunity to report on the condition and progress of reform, and increasingly strengthened the ability of the lecturers to adequately select topics for their discourses. The relatively smooth progress made by the Shijiazhuang municipality in reform of the economic structure is indivisible from the broad masses of the cadres having acquired a relatively clear understanding of reform theories, and their being relatively conscientious when enforcing and carrying out the party's guidelines and policies.

III. Firmly Insist on Taking the Difficult Problems Encountered by Cadres in the Course of Practice as the Major Points in Theoretical Education

Reform of the economic structure has met unavoidably with many new situations and new problems. As theoretical educational workers, we cannot shirk from the responsibility of using basic Marxist principles to answer the new problems met with in the course of the reform.

In recent years, certain people have entertained the erroneous notion of "socialism being inferior to capitalism." Many cadres, though knowing this to be untrue, were unable to convincingly point out the arguments against it. Against conditions of this kind, in our lectures, first, in theory we clearly pointed out that the replacement of capitalism by socialism and proceeding to communism is the objective law governing mankind's social development. Second, we clearly pointed out the reasons why our economy was not as developed as those of certain capitalist countries: On the one hand, due to our country's weak foundation and, on the other hand, due to our insufficient understanding of the laws governing socialism resulting in the strong points of socialism not having been fully put into play. Third, we pointed out that at the moment our economy has gone on the track of a sustained, stable and coordinated development, and that after several decades of effort we surely would be able to catch up with the developed capitalist states. Fourth, we clearly pointed out that communism was not merely a kind of social system: First of all we mentioned about the communist movement, urging that each and every Communist Party member and cadre should consciously take part in the movement. At the same time, we organized various forms of meetings such as theoretical discussion meetings, speeches and reports made by advanced personages, thus strengthening ideological education. In addition, we expounded the theme that only through reform could the socialist system become perfected with each passing day and develop swiftly, thus banishing from certain people's minds the erroneous impression of "reform being tantamount to going backward." We employed the law of value to explain the problem of the floating of, or changes in, commodity prices. We cited theories on factors forming the labor productivity rate to explain the problem of introducing technology and transforming equipment. As for the cadres who had met with new conditions and new problems in the course of the reform and had obtained the correct answers to them following the theoretical studies, their interest in the studies has become increasingly deepened. In order to find the solution of a problem, they would rise early in the morning and do the hard work. Some of them would carry along the lecture notes and find time to keep on studying even when they were away on business. Some of the cadres, though exempted from taking tests according to the rules, would enroll to take part in the tests just the same. Even party committee secretaries would personally take part in organizing the propaganda departments' education classes. Originally, the enrollment for tests on political economics had been anticipated as a maximum of 13,000 people, but over 15,000 people actually took part in the tests.

IV. For the Sake of Helping Theoretical Workers To Perform a Good Job in Integrating Theory With Reality, We Have Adopted a Number of Effective Measures

First, we have organized theoretical workers to go deep into actual investigation and research so that they may obtain rich nutrition from actual practice. Over the past 2 years, we have organized the lecturers group teachers to spend nearly 5 months entering deep into the first line of reform to do investigation and research work. This has enabled them to initially grasp the conditions of reform of the economic structure of the entire municipality, and thus be capable of integrating theory with reality and serve reform, much to the appreciation and gratitude of the broad masses of cadres.

Second, through the convening of various kinds of theoretical discussion meetings, we have widened the vision of theoretical workers, and enhanced their ability to make use of economic theories to explain actual practices in reform of the economic structure. Over the past 2 years, we have jointly convened, with the relevant departments, over 10 sessions of various kinds and types of economic theoretical discussion meetings, which were participated in by theoretical and educational workers, theoretical research workers and actual workers. This has enabled us to know the capacity of the cadres in using economic theories to solve actual problems, and to know the actual results of the teaching work. It has also enriched us with new and fresh material for use when integrating theory with reality in the lectures.

Third, we have treated the talented as teachers and learned from those in the know. We treated the reformers as teachers and learned from the actual workers. We have frequently sought lessons from the various economic departments of the municipality, such as the reform, commodity price, finance, currency and materials departments, and from comrades doing actual work in the factories and mines at grass-roots level. Occasionally, we invited them to come to our classes to give lectures so as to achieve a close union between theoretical teaching and research with reality. We have also invited specialists to give lectures, so as to widen the vision of the teachers on theories and make them promptly grasp the latest fruits of theoretical research and strengthen the theoretical quality and business ability of the teaching corps.

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WHY IS IT NECESSARY TO GRADUALLY OPEN UP AND DEVELOP A SOCIALIST FUNDS MARKET?

Beijing RED FLAG in Chinese No 11, 1 Jun 86 pp 44-46

[Article by Wu Xiaoling [0702 2556 7227]]

[Text] A funds market consists of a long-term funds market and a short-term funds market. In the capitalist countries, a short-term funds market is known as a money market. It serves the short-term merging of funds and generally includes such services as short-term bank deposits or loans, discounting of bills, buying and selling of short-term treasury notes, buying and selling of foreign exchange, interbank discounts and loans, and so forth. In capitalist countries a long-term funds market is known as a capital market. It serves long-term investments and the merging of funds, and generally consists of long-term loans, and the buying and selling of negotiable securities such as shares and stocks, corporate bonds, state bonds, and so forth. A funds market can be a tangible thing such as a stock market and can also be intangible such as telephone transactions. But regardless of their form, their role is to serve the merging of funds.

Why is it necessary to gradually open up and develop a socialist funds market? It is the need for the development of a socialist planned commodity economy and is a natural trend of the reform of the economic structure.

First, opening up and developing a socialist funds market is the demand for the further development of a commodity market. Circulation of commodities depends on money as the medium and a commodity exchange that extends in all directions requires the services of a funds circulation network that runs in criss-crossed vertical and lateral directions. However, at present, the investment of credit and loan funds of banks is basically departmental in character and is distributed vertically. This method of management of credit and loan funds according to the demarcation of departments and regions impedes the lateral flow of commodities and adversely affects the flexible operations and movements of the commodity market. Developing a socialist funds market and opening up the services of discounting and rediscounting commercial bills can enable the investment of credit and loan funds to be established on the basis of commodity exchange, render the investment direction of funds, conform with the direction of the flow of commodities and ensure the free circulation of commodities.

Second, the opening up and development of a socialist funds market helps the rational movements of the essential factors of production and improves the utilization benefits of the various kinds of resources. Funds, material resources, technology and labor are the four essential elements of social production. The rational movement and composition of these four essential factors under planned guidance and by means of the market mechanism constitute the precondition for the development of a commodity economy. Opening up and developing a funds market will allow funds to carry out in the markets compensatory distribution of a competitive character and also allow funds to follow the lead of the economic signs of prices, and allow taxation and interest rate to flow toward those departments with low production costs, but high economic benefits. In turn, this will lead material resources, technology and labor to flow toward these departments and thereby bring about the best composition of the essential factors of production and improve the utilization benefits of the materials and resources.

Third, opening up and developing a socialist funds market is beneficial to the state in its employment of economic measures to guide the investment of social funds in those industries and trades that urgently need to be developed and also helps in increasing the social benefits of the use of the funds. Reform of the economic structure has caused enormous changes in the ratio of the primary distribution of the national income and the funds in the hands of enterprises and individuals have increased rather quickly. Currently, the question that urgently needs solution in the state's arrangements of the construction funds is how, on the precondition of giving due respect to the decisionmaking power of the enterprises and individuals, to collect and centralize the scattered funds for use in the industries and trades which the state urgently needs to develop and on major projects. Opening up and developing a funds market is an effective method to solve this problem. In a funds market, financial organs, enterprises and individuals can, through changes in the interest rate and in the prices of negotiable securities, watch the trend of the economic development and accordingly select the direction for their own investments. The state can, on the one hand, float bonds in the funds market and employ economic measures to absorb a portion of the social funds and, on the other hand, by means of such measures as giving a discount or granting a reduction in tax, influence or change the flotation conditions of certain negotiable securities and thus draw social funds to the industries and trades and departments which the state urgently needs to develop. Since the raising of funds from the funds market by the state and enterprises is on a compensatory basis, it strengthens the fund-users' concept of the turnover of funds, interest rates and the results of input and output, and enhances the benefits of the use of funds.

Fourth, opening up and developing a socialist funds market is an important condition for the establishment of macroeconomic control based principally on indirect control. An important task in the reform of the economic structure in the Seventh 5-Year Plan period is the state's management over the enterprises being gradually switched from principally direct control to principally indirect control and the establishment of a new socialist macroeconomic management system. Financial and monetary policies are important constituent parts of a macroeconomic management structure of principally indirect control. By means of taxation and expenditures, a financial policy influences the primary distribution and redistribution of the national income, influences the economic structure and thereby influences the direction of development of the social economy. Monetary policy is wielded by the central bank which, by means of controlling the quantity of the money supply and the direction of the granting of credit and loan funds, influences the industrial structure, the economic growth rate, commodity prices and international payments, and thereby influences society's economic development. Under a mechanism of indirect control, the central bank's control over the volume of the money supply cannot merely depend on distribution according to targets but must gradually make use of reserve funds for deposits, rediscounting measures and open market business. Rediscounting and open market businesses require the existence of a funds market of a definite degree of development. Without the transactions on commercial bills and notes between the enterprises, the specialized banks will have no bills discounting business to speak of and, in turn, there will be no way to develop the rediscount business, and the central bank's dealings with the specialized banks in discounting their loans can only take the form of ordinary credit and loans and can hardly guide and control the specialized banks with an eye on the direction of usage of the loans funds. Under a mechanism of indirect control, the central bank plays its regulatory role through the use of the interest rate. Changes in the interest rate attract changes in the volume of credit and loans and in investments and thereby influences the development and changes in the economy. Discounting of bills and notes and discounts and loans between contemporary units of an industry or trade are important constituent parts of the funds market. Hence, devoid of a funds market, a monetary policy will lose its theater of activities and indirect control can hardly play its role.

In its outside form, a socialist funds market introduces various kinds of negotiable securities such as commercial bills and notes, and stocks and bonds and learns from, or copies, the management tactics of certain Western countries but, in essence, a socialist funds market is different from a capitalist financial market.

In the first place, a socialist funds market takes the system of public ownership as the basis. Principal patrons of the funds market are financial organs of the public ownership system and enterprises with the public ownership system as their main feature. Transactions between the participant units generally bring about changes in the operation rights of the enterprises and do not change the form of ownership (outside of the state willfully transferring its shares).

Second, a socialist funds market is subjected to the guidance of the state plan. The state must, by means of such measures as credit and loans, interest rates and taxation, guide the direction of the use and input of funds thus to ensure enforcement of the state plan.

The opening up and development of a socialist funds market involves a long-term procedure. Its development depends, to an exceedingly large extent, on the further reform of the financial structure and also relies on the extent of the enterprises operating autonomously and being solely responsible for their own profits and losses. At the moment, our country still does not possess all the conditions for the formation of a funds market. We can only start with opening up discounting and loans within the same industry or trade and opening up the discounting of bills and notes as gradual measures to facilitate the formation of a short-term funds market.

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IN EVERYTHING, GOING TO EXTREMES LEADS TO DEVIATION

Beijing RED FLAG in Chinese No 11, 1 Jun 86 p 46

[Article by Liu Linyuan [0491 2651 0337]; reprinted from XUEXI YU YANJIU, No 3, 1986]

[Text] When things develop to an extreme, they then move in the opposite direction. This is a universal pattern revealed by materialist dialectics. China has an ancient saying: "When things reach an extremity, they must return." This refers to the same pattern. The practice of life shows that if people's ideas, even if they are correct ideas and truthful understandings, are taken to extremes, they can exceed the limits of truth and become errors. They may then affect or even endanger the development of the revolutionary cause.

There is no need to state that the deviance which results from going to extremes still exists widely in actual life. For example, when stressing making the cadre ranks more knowledgeable, some comrades have only stressed school records, certificates and academic titles. When stressing making the cadre ranks younger, some cadres have just proceeded on whether a person is a year younger or older than another. In order to reduce the average age of the leading groups, they have put young people who do not meet the standards for the "four modernizations" in leading positions.

The occurrence of deviance resulting from going to extremes is often the result of some cadres seizing on a point of emphasis in actual work and taking it to the extreme. Taking aspects stressed in upper-level directives to extremes is not the correct way to implement upper-level directives and is more a hindrance than a help.

We oppose going to extremes and advocate looking at questions in an overall way. We must differentiate the important and the minor and cannot try to grab everything at once. In actual work, in accordance with the development of constructions between objective things and the needs of work, at times we need to put emphasis on resolving some contradictions or some aspect of a contradiction. This is completely necessary, is a requirement of material dialectics and is a "doctrine of focal points" in actual work. However: 1) The "doctrine of focal points" is not the same as "a doctrine affirming only one aspect." When we stress a contradiction or one aspect of a contradiction, we cannot ignore the other contradictions or aspects of the contradiction linked to it. 2) In accordance with the objective existence of the contradictions, we must truly reflect the position of the various contradictions in the development of things and the position of each aspect of a contradiction in relation to the entirety of the contradiction. We cannot put the incidental before the fundamental or transpose the primary and the secondary. 3) While we stress a contradiction or one aspect of a contradiction we must have appropriate limits and ensure that we have a good idea of how things stand. We cannot stress things one-sidedly or even break through the limits allowed by things themselves, or divorce ourselves from the original features of the two sides of the contradiction. 4) We must pay attention to the changing situation of a contradiction and, in accordance with the development and changes in objective conditions, adjust our pace in a timely way and make clear the focal points of work.

Materialist dialectics tell us that all things are a unity of quality and quantity. When a thing develops past quantitative limits, then the quality of the thing will undergo changes. A correct idea and a truthful understanding are also like this. All truths are a correct reflection of a thing's essence and its law. This is the content of truth and the determinant of the quality of truth. All truths have certain applicable limits and targets. This is the limit of truth and the quantitative determinant of truth. Quantitative changes lead to qualitative changes. If we use the truth outside its applicable limits, the truth will undergo quantitative changes and become an error. We must bear this firmly in mind.

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'SMOLDERING' AND 'BURNING'

Beijing RED FLAG in Chinese No 11, 1 Jun 86 p 47

[Article by Liu Mingyang [0491 7686 7122]]

[Text] Along the road, I came across a young friend who works in an organ and, when I asked him how things were, he sighed: "Life is smoldering!"

"Smoldering" made me think of damp firewood which gives off smoke but no flames. When the smoke is finished, the firewood is completely charred and wasted. To describe life like this, I initially thought, was not quite right--that it was too harsh an expression. However, after thinking about it for a while, I came to realize that this analogy has some logic.

In the first month of the year, a newspaper in the capital published an investigation of a particular Beijing organ. It totaled up the amount of time lost through people coming late, leaving early, and using office time for private matters. The high percentage of time lost in this fashion shocked people. From my knowledge, the situation of "a cup of tea, a cigarette and reading the newspaper for half the day" is quite common in many organs in many areas. Is not this type of work attitude like firewood which "only smokes and does not burn"? As to climbing "mountains of documents" and crossing "seas of meetings," writing empty words and speaking in formulas so that all day long one appears to be very busy, while it does seem that things get done, the actual results are very poor. It is like an empty fire and clearly is is another form of "smoldering."

When firewood "smolders," the worst that has happened is that the combustion is wasted. However, when one's life "smolders," what effect does it have? If various organs, which are seen by the masses as representing the party and the government, act in such a way, undoubtedly it will affect tens of thousands of families and various trades and businesses and it will certainly adversely affect the great cause of the four modernizations!

While there are people who are willing to let their lives "smolder," there are not many of them. However, one "adopts local customs on entering a region" and one often ends up "taking things calmly." Both before and after work, time is valuable for one's private matters, but as soon as one steps through the door of the office, wasted time is for other people to worry about and has nothing to do with oneself. This truly is a strange phenomenon. Luckily, there are still many people who are worried and anxious about this. My young friend is one of them. An "ardent man" should make contributions to the people. Like the older generations of revolutionaries who changed the course of history and the modern generation of earthshaking heroes on the Laoshan frontline, he should let the fire of his life burn fiercely. If someone has such ideals, it is quite normal to be disgusted by the above-mentioned situation of "smoldering." However, just sighing about it will have no effect. "First one is roused, then one tires, and finally one is exhausted." Gradually, one's vigor gets worn down and one "conforms to nature" and everyone follows the precedent of "smoldering." The problem needs to be resolved on the basic level.

There is no harm in looking at the reasons why "things smolder." They are simply: Because work responsibilities are unclear and work styles are not strict, casual "habits become natural"; because organs are overstaffed, there are too many people to carry out the work and there is too much spare time; because there is wrangling between departments, even if one wants to work one cannot; because appointments are made on the basis of relationships and rewards and punishments are not clearly differentiated, it dampens enthusiasm. Also, there is bureaucratism and contempt for skilled persons. Thus, talents lie unused and wasted...in brief, it is a result of structures, systems, and work styles. From this, I have realized the necessity and the urgency of reforms.

Over 20 years ago, I studied middle-school physics and I vaguely remember that for materials to burn fully they need two basic conditions--sufficient oxygen and sufficient temperature. It thus seems that if we are to put an end to things "smoldering," we need to first "provide oxygen" and second "raise the temperature."

Happily, from the beginning of the year, the central organs have taken the lead in readjusting discipline and work style and set an example for the whole country. A new wind is blowing and it can be said that this is "providing oxygen." This is the basis on which to get rid of the phenomenon of "smoldering" in organs. Of course, we have just begun. Much determination, great efforts, overall reforms and rigorous reorganization are still required. The party Central Committee has already stated this. However, cadres within organs need to "raise their temperature." Taking things calmly is no different to apathy and drifting with the tide is also a deplorable situation. What is urgently required is that which Comrade Hu Yaobang pointed out in a meeting of cadres from central organs--devoted study, the strengthening of party spirit, the adherence to discipline and the improvement of efficiency. One should take the lead oneself and create an upsurge in the spring tide of the reforms.

Only in this way will organs at various levels be able to shoulder the ardent expectations of the people and take on the great responsibilities of leading the four modernizations. Also, in this way cadres' lives will not "smolder," but will burn brightly, providing the light and heat for the reforms and the four modernizations.

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IT IS NOT TOO LATE TO MAKE UP ON THE ROUNDABOUT WHAT ONE LOST ON THE SWINGS--READING THE NOVEL 'SUBTRACTING 10 YEARS'

Beijing RED FLAG in Chinese No 11, 1 Jun 86 p 48

[Article by Sun Min [1327 3787]; "Subtracting 10 Years" was carried in RENMIN WENXUE, No 2, 1986]

[Text] China is now implementing the "summer time system." The system is as simple as this: Everyone, without exception, has to put their watches 1 hour forward. The results are really astonishing. Just in terms of electricity, the nation will save 1.5 billion kilowatts every year!

What the woman author Chen Rong has done is to write not about "summer times," but about something bigger and stranger. She has the fantastic idea of a great plan to "subtract 10 years." Faced with this intriguing "rumor document" it is as though we are on a merry-go-round or like looking at a kaleidoscope. Some people's complex attitudes on the question of age are revealed. In the contradictory moods and worries of reality these are portrayed very vividly. The style of the work is strange but it is not distorted, while the language is brisk and satirical. It is worth reading.

A document of the "Age Research Association of China" subtracts 10 years from everybody's age and thus the whole organ is overflowing with vigor. The bureau head, Ji Wenyao, who worries all day about retirement, gets so excited that he grabs his boss and "swings him around three times." The intellectuals, older young people, and the middle-aged Miss Xu are all very pleased.

Ten years--it is just the time which people lost in the great catastrophe. In those years, veteran cadres were forced to leave their posts and go to cadre schools. There were continual political movements which caused young people to neglect their studies. The older youth Lin Sufen felt that she "could not be considered a worker or a peasant and that she did not have the intellect to be considered an intellectual." Zhang Mingming, in looking at new scientific materials, feels: "I am unfamiliar with the work, and too old, and do not have the knowledge." In facing the new period, they feel that they are in a predicament. They cannot find their place and feelings of hesitation and loss regularly harass them. Subtracting 10 years is their fantasy for freeing themselves from this situation. They hope that life will give them the opportunity of another choice.

Ji Wenyao is a special character. Subtracting 10 years was something which "he always thought about in his dreams" and he is constantly worried about retirement. Is this infatuation with his post the result of a boundless sense of responsibility to revolutionary work, with an enthusiasm which has not diminished and a heroic style still intact? We cannot say that this is not part of the reason. However, seen from the contrast between the oppressiveness of the organ and the situation after the 10 years are subtracted, it is true that he has a greater sense of responsibility for his own interests. During the 10 years, he endured suffering. However, "who can compensate for this loss? How can I be expected to swallow this bitter fruit?" From the tone, it seems that the party and the people owe him something. In his view, the position of bureau head is so important, it is as if he has everything if he has the post. He sighs: "In the past, we really could not live." He begins to make serious new plans--buying Romanian furniture and going on holiday to Lushan and Huangshan. However, although the opportunities are equal--all had 10 years subtracted--vexation is produced. Older comrades want to return to their posts. This is something they had not considered and they cannot refrain from breaking out in a cold sweat. These descriptions vividly portray the vulgar mentality of petty bureaucrats.

As there were no very capable people, Zhang Mingming was to be made bureau head. The world is so changeable, and "subtracting 10 years" batters and disappoints the mental preparations he had so much difficulty making in order to become bureau head. However, in the end, he is one for noble pursuits and he is able to give full play to his abilities in the journey of climbing the peaks of world science and technology. Thus, he has no particular aversion to "subtracting 10 years." What is worthy of note is his worthy wife Xue Minru. This woman, although not of special appearance or abilities, often speaks in words which amaze people. She is open-minded and able to adapt herself to different circumstances, and it is she who is able to sweep away Zhang Mingming's various worries!

It is normal for people to be sensitive about their own aging. This shows that people cherish life and warmly love living. It is also understandable that people are reluctant about leaving, and yearn for, their youth. However, being intoxicated by the illusion of "subtracting 10 years" is quite a gross deception. "Subtracting 10 years" and the "summer time system" are clearly different. The latter simply allows people to shift daytime activities forward by 1 hour, but artificially reducing people's ages so that they become younger is a fruitless action. This fruitless action can lead to such great commotion, but also provides food for thought. It seems that often a theory or decision, if it panders to the wishes of people, is so easily recognized and accepted! People do not even bother to look to see whether it is right or wrong. This work reminds us that sticking to unending fantasies and avoiding contradictions is just like an ostrich hiding its head in the sand. It is better to look at contradictions openly and directly and to self-confidently and consciously keep pace with the times. Since they can ignite an enthusiasm for life, why should we not do those things we should do, full of confidence? An old saying goes: It is not too late to make up on the roundabout what one lost on the swings. It seems that only if we increase our vigor in work will we really be able to recapture 10 years. In this sense, "Subtracting 10 Years" really is a spring breeze bringing new vigor to depressed lives.

The author uses a hypothetical situation to construct a world--a world of people's souls--to manifest a more profound truth. What the work depicts is not obscure or disordered and it does not, like those preposterous Western works, manifest despair and absurdity. The work still describes actual contradictions while the basic tone is brisk and humorous. This provides an atmosphere of comedy. In accordance with their appropriate logical development, the characters are not confused or disordered. Through the author's description, which is sober and imbued with reality, people come to more clearly realize the power of self-confidence. After powerful satire, we will advance with more solid steps.

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STRIVE TO EXPLORE THEORY ON REFORM OF THE ECONOMIC STRUCTURE--REVIEWING 'DISCUSSIONS ON THEORETICAL QUESTIONS CONCERNING REFORM OF THE ECONOMIC STRUCTURE'

Beijing RED FLAG in Chinese No 11, 1 Jun 86 inside back cover

[Book review by Jiang Huanhu [3068 3562 3275]]

[Text] The "Decision of the CPC Central Committee on Reform of the Economic Structure" (briefly termed below as the "Decision") is the guiding principle of the reform of our country's economic structure. Under the guidance of this principle, the reform of the economic structure in our country is developing on a broad and extensive scale and in rather great depth. Reform needs the guidance of theories, and the further study of the big and important theoretical problems mentioned in the "Decision" has significance in pushing forward the development of the reform of our country's economic structure. Following the promulgation of the "Decision," several booklets carrying the "Decision" have been published. A recent publication edited by Comrade Duan Ruofei entitled "Discussions on Theoretical Questions Concerning Reform of the Economic Structure" and printed by the Beijing Industrial Academy Printing House carries some very special features.

This collection of essays has a rather integrated structure. The essays were arranged according to the decision of the editor who developed a unified plan and especially invited several comrades to do the writing work (a number of the essays had been written by the authors and previously appeared in newspapers or magazines; they were later examined and approved, corrected, revised, supplemented and/or rewritten). These essays were compiled on a section on general discussions and three other sections. The section on general discussions followed the structure and sequence of the "Decision" and made an overall and systematic explanation of the main contents of the "Decision." In the first section, the book discusses the general theme of the theoretical nucleus of the "Decision"--the unification of socialism and commodity economy, that is, the problem of the socialist commodity economy; following this, in the second section, several essays separately discussed the main theoretical problems raised in the "Decision" and also discussed several special problems intensively; and in the third section, a further overall study was made on the "Decision" from the perspective of philosophy and scientific socialist theories. By means of the theoretical analysis and summing-up, the reader is enabled to have a relatively integrated, systematic and deep understanding of the theories governing the reform of the economic structure.

The discussions in this collection of essays emphasize the high-level theoretical problems of the reform of the economic structure. There are both practical problems and theoretical problems which the reform of the economic structure meets with and needs to study and solve. The problems that the essays in this collection emphasize on are theoretical problems, particularly high-level theoretical problems. Only through having a clear understanding of the theoretical problems relating to the reform of the economic structure is it possible to put up a high structure, grasp the whole situation, carry out correct and strategic guidance and lead the reform of the economic structure to proceed along the track of the planned commodity economy of socialism.

This is a compilation of essays of an academic and investigative character. In this big socialist country of ours, to carry out an overall reform of the economic structure is an unprecedented feat in the history of the socialist movement. It is opening up and creating something new. Opening up and creating something new necessarily require as forerunner the liberalization of thinking and new theories. In the face of the reform of the economic structure which brings in its wake broad and deep changes in socioeconomic relationships, for people to entertain different viewpoints is not only normal but also natural. Only through having one hundred schools of thought contend is it possible to bring about the developing and thriving of all sciences, including the economic science. The essays in this compilation, though unanimously acknowledging the correction and importance of the "Decision," display varying degrees of difference from each other from the various perspectives of theoretical viewpoints and methods of presentation and regarding the major issues, conception and exposition. This has significance in widening on various sides people's theoretical vision and opening up people's thinking in examining and studying the reform of the economic structure.

The theoretical workers of our country who took part in writing the articles in this compilation included Comrades Ma Hong, Wang Renzhi, Liu Guoguang, You Lin, Sun Shangqing, Zho Jiong, Wu Jinglian, Lu Xueyi, Zheng Bijian, Yang Qixian, Yuan Mu, Gui Shiyong, Gong Yuzhi, Han Shuying, Dong Fureng, and Xue Muqiao. These essays reflected to a definite degree the new accomplishments and level attained by the current theoretical circles in our country in the research on the problems of the reform of the economic structure. Nevertheless, the practices in the reform of the economic structure are still developing, the understanding is deepening, and the discussions on the problem of the reform of the economic structure are continuing. The emergence of this collection of essays may be taken as a new start in the research work of the theoretical circles of our country and lead to further pondering and probing.

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OLD COMRADES SHOULD BE GOOD AT MAKING ARRANGEMENTS FOR THEMSELVES

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["Forum"]

[Text] At present, as many as 1.7 to 1.8 million old comrades have stepped back from their leading posts at various levels. Other old comrades will also do the same in the future. Old comrades have made important contributions in the years of war and during the construction period in the past, and again they made new contributions in the new period. How could we have the new situation today if old comrades had not played their parts? However, these old comrades are advanced in age after all. If they continue to remain in their posts, their ability will fall short of their wishes. Only by letting young comrades do the work can our cause continue to develop. Clearly understanding this and stepping back of their own accord is also a contribution made by old comrades.

Old comrades have worked very hard for scores of years. Once they have stepped back from their posts, they feel light-hearted and happy, but at the same time, they are bound to experience a psychological imbalance for some time and in a certain sense are at a loss what to do. This requires that leading cadres should constantly pay attention to the affairs of old comrades and put forward more suggestions and ways for enriching the lives of old comrades. This has also put forward a new question to old comrades and that is, how can they be good at making arrangements for themselves?

Many old comrades have devoted themselves to writing memoirs. Nie Rongzhen, Xu Xiangqan, and a few other revolutionaries of the older generation have written lengthy books of great historic value. Many more other old comrades have written about their experiences and feelings in past struggles, proceeding from one thing or from a fragment of a past event. Most of them have reflected the facts according to the actual situation in those days. Other old comrades, in accordance with their interest, do exercises in painting and penmanship. They even hold painting exhibitions of old comrades. These activities can both enrich their lives in the remaining years and add spiritual wealth to the society. They are undoubtedly good ways for old comrades to emit their "remnant heat." Each old comrade can proceed from his own interest and select one or two kinds of activities which are suitable for him so that his life in the remaining years can become more colorful.

Old comrades who have stepped back from their posts wish to air their views on work. This is a good thing and should be welcome. In the past few years, many old comrades went deep into realities to conduct investigation and study, and discovered many real situations which they had not been so clear about before. They then made some very good suggestions on work improvement. In light of the actual situation inside the party, the more than 80-year-old Comrade Zhang Yun, for example, has published several valuable articles on strengthening party building. Leading cadres of various units must pay attention to listening to, and respecting, the views of old comrades. We should not expect that all the views aired by old comrades are correct. However, in view of the fact that old comrades have a long work record and enjoy a high prestige, and that each word they say and each suggestion they make will exert an influence on others, it is necessary for them to conduct investigation and study and to think more carefully before they air their views. They should avoid talking in generalities, but should strive to put forward concrete and accurate views which are based on facts, proceeding from one thing or one person. Such views can be implemented relatively more easily. Comrades who have stepped back from their posts should not say rashly that members of a new leading body are "negating the past," otherwise, they will have difficulty in their work. Things are continuously changing and the Central Committee and State Council will also give new instructions and assign new tasks. Changes in decisions concerning people and things are unavoidable. This is different from negating the past. New leading bodies have made new achievements and we should all be happy about it.

In the past few years, more than 2 million young and middle-aged comrades have been promoted to leading posts at county level or above. People have different opinions on these comrades. Some say they are good and others say they are not good. This is normal. Those who say they are too young and lack experience have not made any analysis. Just recall what happened in the past. Were not many revolutionaries of the older generation in their 30's, 40's, or 50's when they took up important leading posts in the party and state in the early years after the founding of the country? Experience is accumulated in practice. As a matter of fact, fine comrades of more than 35 years old who have a college education have at least 10 years of work experience! This does not mean that all those who have been promoted are very good. Some have been wrongly selected because they were not accurately assessed. However, their number is not large. It is not true to say that many of these comrades are no good. What should we do toward those who have been wrongly promoted? Those who have been promoted in violation of law and discipline should be resolutely punished according to law and regulations. If they are incompetent and are unable to open up a new situation, we should adhere to the mass line, use the method of thorough discussion, and assign appropriate new jobs for them. This also shows their readiness to accept a higher or lower post. After hearing complaints about new comrades, old comrades should not make hasty remarks. They should conduct investigation and be clear about what has happened before they say anything. Only this is the prudent and responsible attitude. They should be more aware of the strong points of new comrades and encourage and support new comrades so that they will work boldly and creatively. This is the glorious duty of old comrades and will also give them the greatest happiness.

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ADHERING TO THE PRINCIPLE OF SEEKING TRUTH FROM FACTS IS THE WAY TO SUCCESS IN ALL UNDERTAKINGS--INTRODUCING THE 'SELECTED WORKS OF CHEN YUN'

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[Article by the "Selected Works of Chen Yun" Editorial Group of the Research Center of the Secretariat of the CPC Central Committee; capitalized passages published in boldface]

[Text] Volume 3 of the "Selected Works of Chen Yun" (1956-1985) has been published throughout the country. Comrade Chen Yun's works have been published on the schedule. Focusing on Volume 3 and in connection with Volumes 1 and 2 published in 1984, this article will introduce the main contents of his works.

The three volumes of the "Selected Works of Chen Yun" cover the 60 years from July 1926 to September 1985. From the 157 articles published, readers may see in certain important fields the glorious and tortuous road taken by the Chinese people in revolutionary struggle and socialist construction under the leadership of our party and their experience of success and failure.

The revolutionary struggle and construction led by our party can be divided into two major periods: the period of new democratic revolution in the first 28 years and the period of socialist revolution and socialist construction in the last 37 years. The Zunyi conference was a turning point from failure to success in the first period, and the 3d Plenary Session of the 11th CPC Central Committee was a turning point in the second period. Of all the articles included in the three volumes of the "Selected Works of Chen Yun," 53 were written in the first period, among them 46 after the Zunyi conference; and 104 were written in the second period, among them 29 around the 3d Plenary Session of the 11th CPC Central Committee. As is known to all, all of Comrade Chen Yun's articles are permeated with the basic guiding thought of proceeding from reality and seeking truth from facts.

I

Our country is in a period of historical change. Over the past 7 years since the 3d Plenary Session of the 11th CPC Central Committee, due to the correct guiding thought of our party and the unleashing of the initiative of the masses, we have made unrivalled achievements in socialist construction and the reform of the socialist economic structure.

Just as the CPC Central Committee has repeatedly stressed, China must take a road of building socialism with Chinese characteristics. This means we must proceed from China's realities, conform to objective laws, and adhere to socialism. On this issue, Comrade Chen Yun time and again stressed that we must first have a good understanding of the "facts" in the course of proceeding from China's realities and seeking truth from facts. China has a population of 1 billion, 80 percent of them in rural areas, and limited arable land, so feeding the population is a big problem. Meanwhile, China's industry, science, and technology are backward and their distribution is uneven. We must formulate strategies, tactics, policies, and plans for China's socialist construction by proceeding from this reality. This is to say that we need to spend a long time, make great efforts, and overcome many difficulties to build socialism.

According to the historical conditions of their times, Marx and Engels predicted that after the proletariat wins victory in revolution, capitalism will be transformed to communism after a transitional period. The revolutionary teachers of the proletariat made this predication on the theoretical assumption that capitalist society has formed a high degree of social productive forces. However, during the period from the Russian October Revolution to the victory of the Chinese revolution, all countries which took the socialist road, except for one or two countries, were underdeveloped or not so developed economically. The social productive forces in these countries were at a low level and their labor productivity was much lower than that in developed capitalist countries. As seen from the existing practical experience, a whole historical period will be needed to build socialism under backward economic conditions and to move to communism. Only by developing the social productive forces to a high degree in this historical period is it possible to fulfill the transition to communism.

In the historical period of socialism, social and economic development will go through several historical stages, from elementary to advanced stages. China's current social, economic, and cultural status indicates that China is still in an elementary stage of building socialism. We must consider this fact in carrying out construction and reforms.

The 12th National CPC Congress decided that from 1980 to the end of the century, China's total industrial and agricultural output value must be quadrupled and the living standard of the Chinese people must reach a better-off level. Over the past few years, Comrade Deng Xiaoping has repeatedly pointed out that from the 21st century, we will need 30 to 50 years to be close to the level of economically developed countries. We are convinced that the above target can be attained through our efforts. We would rather prepare for longer range targets in the whole historical period of socialism and the development process of all stages in the period. Of course, we must prepare for a slow process and strive for a fast one.

China has a poor material and technological foundation in its economy, a low level of social productive forces, and a large population, but our socialist system is advanced and the relations of production with socialist public ownership as its basis has many advantages. On this issue, we must also give play to our strong points, avoid weak points, and properly handle the contradictions between politics and the economy, between the relations of production and productive forces, and between the advanced and backward.

II

In the early 1950's, after we completed the work of economic recovery, the CPC Central Committee put forth the general line for the transitional period calling for gradually fulfilling socialist industrialization of the state and socialist transformation of agriculture, the handicraft industry, and capitalist industry and commerce. In formulating China's First 5-Year Plan for developing the national economy, we defined "a relatively long period" set in the general line as about 15 years. As is known to all, we were eager for success in implementing the plan and to actually spend only 3 years fulfilling the socialist transformation and basically fulfilling the public ownership of the means of production. This caused many problems. In his speech at the 8th CPC National Congress in 1956, Comrade Chen Yun pointed out various defects in China's rapidly established socialist economic structure. Afterwards, by summing up the practical experience of the masses and the correct views of the comrades within the party, he gave many important opinions on what socialist economic structure China should establish and how to respond to the situation. In short, his opinions can be summarized as the following.

On the structure of ownership and economic operation, Comrade Chen Yun raised the view of three "main bodies" and three "supplements," namely, state-run economic operations and collective-run economic operations are the main body of industry and commerce, and a certain amount of individual economic operation is their supplement; planned production is the main body of industry and commerce, and a certain amount of individual economic operation is their supplement; planned production is the main body of industrial and agricultural production, and liberal production according to market changes within the limits of state plan is its supplement; state market is the main body, and free market within a certain scope under the leadership of the state is its supplement. This view of Comrade Chen Yun about planning as the dominant aspect and liberalism as the supplement; and concentration as the dominant aspect and deconcentration as the supplement was written into the resolution of the 8th CPC National Congress. We all know that due to the emergence and development of the "leftist" guiding thought afterwards, his view was abandoned for a period of time. The "communist wind" during the people's commune movement and "cutting capitalist tails" during the Cultural Revolution totally obscured the necessary demarcation lines in the stage of socialist construction and seriously dampened the enthusiasm of the laboring people. In the course of bringing order out of chaos after smashing the "gang of four," Comrade Chen Yun wrote in 1979 an outline entitled "Plan and Market," in which he, integrating the theory of Marxism and Leninism with China's practice, reexpounded the view that planned economy and market regulation must exist in the whole socialist period with planned economy as the dominant aspect. He criticized two unhealthy tendencies in planned management, namely, unnecessary strictness and unnecessary relaxation, and the outmoded view of ignoring the law of value. The market regulation to which he referred means developing production merely according to the changes in supply and demand in the market and without a plan, namely, blind regulation. Comrade Deng Xiaoping also said last year that integrating planned economy with market regulation can better liberate the productive forces and speed up economic development. The practice of China's economic structural reform over the past few years has proved that in the elementary stage of building socialism, with the foundation of public ownership, the state can master the economic liveliness concerning the life of the masses, allow the existence of individual economy, state capitalist economy, and other economic patterns, and use market regulation as a supplement to the planned economy. This is advantageous to the development of China's planned commodity economy.

As early as in 1957, in view of the defects and problems in China's economic management system, Comrade Chen Yun personally drafted regulations for the State Council on improving the management system of three important departments, namely, industrial, commercial, and financial departments. The contents of the three regulations and many important opinions given by Comrade Chen Yun at the 8th CPC National Congress and after 1977 on reforming the economic management system can be summarized as the following 10 points: 1) Under the unified state plan, give more administrative power to local governments and enterprises according to local conditions. Local authorities must be given a certain amount of floating funds within a limit, so as to ensure the funds needed for the state's priority projects. 2) After assigning some of the powers of central authorities to lower levels, it is necessary to balance the work of the whole country. 3) Change the previous purchasing and marketing relationship of industrial and commercial enterprises; that is, change the previous method of factories making products on orders from commercial departments to the method of factories buying raw materials and marketing their products by themselves. Except for the products related to people's daily life, in which a state monopoly of purchasing and marketing should continue, other products should be purchased selectively. 4) The production of the handicraft industry and the production of sideline products in agriculture should be carried out in a deconcentrated way, and it is necessary to overcome blindly concentrated production proceeding from a one-sided view. 5) Commerce must be operated in a deconcentrated way; the state must relax market control. Except for products in short supply, which must be distributed according to state plans, the assigned purchase method from the upper to the lower levels must be abandoned for other products, and the free purchase method from the lower to the upper levels must be introduced and small free markets for native products must be set up in rural areas. 6) The state's price policy must be advantageous to production. Prices must be stable, but we cannot simply adopt the method of "setting unified prices" or "freezing prices." It is necessary to pay serious attention to the prices of grain and economic crops and the comparison between the two prices, and to maintain a certain proportion between grain and economic crops and industrial products, so as to help develop agricultural production and improve people's livelihood. 7) Improve planned management methods of the state and reasonably reduce mandatory planning targets. Various economic regulation means must be adopted in carrying out mandatory planning targets and guidance targets. 8) While bringing into play the role of market regulation and enlivening the economy, it is necessary to avoid the trend of abandoning state plans. State plans are an important means to ensure proportionate and harmonious economic development. 9) It is necessary to bring into full play the regulatory role of economic levers, but the state may, if necessary, adopt administrative measures to intervene in economic affairs. 10) Using foreign funds and bringing in new technology is an important policy. Under the condition of relying on our own efforts, we must make full use of favorable international conditions, borrow some money from foreign countries which will not cause losses, and bring in advantageous technology to speed up socialist modernization.

Comrade Chen Yun repeatedly stressed that the economic structural reform we are carrying out is a reform of the socialist economic structure and a self-improvement and self-development of the socialist system. How are we to understand this viewpoint? We believe that it can be understood in this way: The reform of the socialist economic structure should naturally be suited to the inherent nature of the socialist system. Therefore, it is necessary to first of all study and sum up the conditions and experience in China and continuously reform and improve the system which has been proved unsuitable to the development of the productive forces. On this premise, we must learn the successful experience of other countries, including that of capitalist countries, which we can use. However, in applying the successful experience of other countries, we must not copy them indiscriminately and uncritically, but must integrate them with China's reality and digest and absorb them, so that they can become our own experiences.

Comrade Chen Yun also pointed out that as the current economic structural reform involves many fields, most cadres are not familiar with it, and many unpredictable problems will arise in the course of the reform. Therefore, we must make explorations and sum up experiences while carrying out practice. He used a vivid expression of "crossing the river by touching the rocks" to describe it.

III

As one of our party's principal leaders, Comrade Chen Yun has been in charge of economic work for a long time. But he was time and again labelled a "conservative rightist deviationists" after 1958. Practice has proved that he has always been a sober-minded and practical economist. In the several "leftist" waves, he always adhered to his scientific attitude and never gave up his practical views which had been formed after his thorough investigation and repeated pondering. This reflects the true qualities of a proletarian revolutionary who strictly upholds the principle of party spirit.

In his protracted leadership over economic work, Comrade Chen Yun put forth many suggestions which stood the test of practice and won the support of quite a few leading comrades. Most articles included in the "Selected Works of Chen Yun" are about economic work and have substantial contents. In addition to the above opinions on reform of the economic structure, many of his views on economic construction are familiar to the vast number of economic workers. We now make necessary explanations on that part of his views which is of practical guiding significance to the current work.

1. PROPORTIONATE DEVELOPMENT IS THE QUICKEST PACE. Comrade Chen Yun repeatedly said that proportionate economic activities and harmonious relationships will bring the fastest and best results. Although the economy can develop under the situation of partial imbalance and not affect the overall situation, it is impossible to achieve faster and better economic results. If there is a serious imbalance in most economic relationships, including that affecting the overall situation, the economy will retrogress and a crisis will arise. At the National Conference of Party Delegates held last year, Comrade Chen Yun once again pointed out: "In the final analysis, we must advance steadily in a planned and proportionate way. This is the fastest way. Otherwise, various troubles and runaway situations will arise. Setbacks will be unavoidable. The result is a slow progress. 'Haste makes waste.'"

Even a capitalist society requires that the economy develop in proportion. Once the main proportionate relationships are seriously imbalanced and break up, there will be a crisis and economic retrogression. What is different in a socialist country is that it can use the means of planning to swiftly and properly regulate economic activities and avoid a protracted and serious imbalance of proportionate relationships. This is a possibility, not a fact. If we make mistakes or serious mistakes (the common mistakes are impetuosity, rashness, and excessively high targets), there will also be a crisis, or "setback" as people say. Therefore, in carrying out economic work, we must try to master the overall situation and find out problems, particularly the problem of several basic proportionate relationships. We must use the means of planned regulation, bring into play the role of various economic levers, and adopt various effective measures to harmonize all kinds of proportionate relationships. In general, we must not weaken planning work, but must meticulously improve and continuously strengthen planning work so as to ensure the healthy economic development. This is because ours is a planned commodity economy with socialist public ownership as its foundation, not a market economy which is totally regulated by the market.

Proportionate economic development also involves the correct handling of the relationship between priority projects and general projects. It is necessary to give prominence to some priority projects, but if we fail to pay attention to general projects, economic development cannot last long and priority projects will be a failure in the end. While giving prominence to priority projects, we must give consideration to general projects in a reasonable way. This is also a problem we must pay attention to from time to time.

2. REACHING AN OVERALL BALANCE IS THE BASIC WAY FOR BRINGING ABOUT PROPORTIONATE DEVELOPMENT. Comrade Chen Yun said that reaching a balance means proportionate development. If we fail to reach a balance, we cannot develop the economy in proportion. Overall balance includes the balance between all departments and parts in the national economy, as well as the balance within a department, an area, or a part. To guide economic activities throughout the country, we must first reach an overall balance. Their overall balance must be based on the balance in each part and must guide and restrict the balance in each part.

What are the main contents of the overall balance? In 1957, when talking about the problem that the size of construction must correspond to our national strength, Comrade Chen Yun spoke of the balance in three fields: the balance between financial income and expenditure, the balance between deposits and granting of credit loans, and the balance between the supply and demand of goods. Of the three branches, the most essential is the balance between the supply and demand of goods. The production and supply of consumer goods in daily life must be suited to social purchasing power. The production and supply of the means of production must be suited to industrial and agricultural production, circulation, and the size of fixed assets investment. These are the most important two balances in goods. Since we adopted the policy of opening up to the outside world, the balance of income and expenses in foreign exchange has become an important part of the overall balance. China has rapidly developed economic and cultural ties with other countries over the past few years, and the scale of the economic and cultural ties is becoming larger and larger. Paying attention to the balance of income and expenses in foreign exchange is an important issue.

While our country is still relatively poor, we must try to catch up with developed countries as soon as possible. For this reason, it is impossible for us to be well-off in all fields, and maintaining a balance under the circumstances of a shortage of goods is inevitable. Even if there is an ample supply of goods for a time, the situation may change, as China has a large population. Therefore, we must not be careless when we are well-off and have an ample supply of goods. Maintaining a delicate balance is unavoidable. However, as Comrade Chen Yun has said repeatedly, we must not maintain a balance to such a tense degree as to break it. If so, simple reproduction cannot be guaranteed and the loss is too heavy. This situation appeared in the early 1960's. To avoid a balance to an excessively tense degree and the breakup of the balance, Comrade Chen Yun held that in maintaining an overall balance, we must maintain a balance according to the "short line," not the "long line." Of course, when weak points appear, we must do our best to improve the situation and to gradually harmonize the proportionate relationships. Using planning means and the method of overall balance to bring about proportionate economic development is an advantage of the socialist system.

3. WE MUST TAKE INTO CONSIDERATION BOTH ECONOMIC CONSTRUCTION AND PEOPLE'S LIVELIHOOD. This view stems from the characteristic that China has a large population and limited arable land, and Chinese people are poor, and it uses the historical experiences of China and other socialist countries for

reference. In 1981, Comrade Chen Yun stressed: First, we must feed the 1 billion population; and second, we must carry out socialist construction. If we care for feeding only and eat up and use up everything, our country will be hopeless. While adequate food is ensured for people, the state must have remaining strength to carry out construction.

In economic activities, the relationship between construction and livelihood is reflected as the proportions of accumulated funds and consumer funds in the distribution of national income. The problem of controlling accumulation rate was first raised by Comrade Bo Yibo at the 8th CPC National Congress and was highly valued by all principal central leading comrades, who approved of an accumulation rate between 20 to 25 percent. Along with the subsequent development of the "leftist" guiding thought, the accumulation rate was often too high, exceeding 30 percent or even reaching 43 percent in some years. Facts have proved that the excessively high accumulation rate was due to the excessive targets for growth rate, the excessively large size of capital construction, and the excessively large scale of our construction. This cannot rapidly expand the ability to develop production, but will result in a serious imbalance in main fields, causing heavy losses.

The excessively large size of capital construction and the excessively large scale of construction is a "common disease." In the course of economic readjustment in the early years of the Sixth 5-Year Plan, we achieved initial results in curing this "common disease." However, in the last 2 years of the Sixth 5-Year Plan, the "common disease" once again emerged together with a "complication," namely, the failure to control consumer funds. As a result of our failure to control both accumulation and consumption, there were inevitably "deficits" in the distribution of national income. This was the main reason for the sharp price hikes. The deficit in the distribution of national income is a matter concerning the overall situation which should not be ignored. In view of this, the CPC Central Committee and the State Council have adopted effective measures to deal with it and have achieved initial results. However, we must continue to carry out the measures so as to prevent the diseases from recurring.

4. WE MUST ADHERE TO TAKING AGRICULTURE AS THE FOUNDATION. This view, which was first raised by Comrade Mao Zedong, is also decided by China's real situation and corresponds with the basic tenets of Marxism-Leninism. In the 1950's, Comrade Chen Yun pointed out that agriculture is a problem concerning the food and clothing of the people of the whole country. If economic construction is not based on this, it cannot be consolidated. The problem of agriculture is first of all the problem of grain. At that time, he put forth the thesis: "Stable grain output brings stability; shortage of grain results in a tight market." On the eve of the 3d Plenary Session of the 11th CPC Central Committee, in view of the serious damage to the agricultural production then, Comrade Chen Yun once again stressed that it was necessary to import some grain to ease peasants' burden. In this way, he hoped the peasants would feel relieved and resume and develop agricultural production. Regarding this problem, we suffered many setbacks, the main reason being that we had not found a way to give full play to peasants' initiative. Our economic structural reform over the past few years began in

rural areas. In the course of the reform, we adopted many methods of developing agricultural production which were discovered by peasants in practice, and we instituted various responsibility systems with output linked to contract. All these plus the government move to greatly increase the prices of agricultural products have brought about rapid changes in China's rural areas and resulted in an economic boom throughout the country. However, some areas make mistakes in handling the relationships between agriculture and industry and between grain and economic crops. They put undue emphasis on the idea of "no industry, no wealth," and "no commerce, no brisk market," resulting in tendency to relax agricultural production, grain production in particular. In view of this, Comrade Chen Yun reminded us not to forget the truth of "no agriculture, no stability," and "no grain, no peaceful situation."

5. THE SCALE OF CONSTRUCTION MUST BE SUITED TO THE NATIONAL STRENGTH. At a central conference held in early 1957, Comrade Chen Yun pointed out: "The scale of our construction must be suited to the financial and material resources of our country, and whether they are suited or not is the demarcation line between a stable or unstable economy." In the speech, he also raised the view that it is easier to correct a conservative tendency than to correct a rash tendency; the view that financial income and expenditure and banking credit must be balanced with some surpluses; the view that in times of short supply of goods, it is necessary to first of all guarantee the production of daily necessities, then the production of the means of production, and finally capital construction; the view that the upgrading of people's purchasing power must be suited to the supply of consumer goods; and the view that the balance between the scale of capital construction and financial and material resources must be consistent and free from sudden rise and fall. In short, these views mean that we must carry out construction according to our own abilities. This guiding thought is applicable not only to capital construction, but also to all economic departments and to other departments in a certain sense. They are the guarantee of protracted, stable, and healthy development in economic and other causes. This thought was previously criticized and labelled as mechanical materialism which negates subjective initiative. But history has proved that it was not those criticized degenerating to mechanical materialism, but those criticizing others degenerating to the will for power doctrine.

In recent years, Comrade Chen Yun also said that we communists of course want to achieve faster and better results. The problem is whether we have the conditions to do so. Stressing conditions is not mechanical materialism, but dialectical materialism. If we have no conditions or our conditions are not ripe enough, we of course must do our best to create conditions and must not adopt a passive attitude. But creating conditions is also restricted by the material conditions at that time and our subjective ability.

In addition to the above five major problems, Comrade Chen Yun also gave many important opinions on the other fields of economic work. For example, he believed that in building new enterprises and tapping the potential of old enterprises and reforming and transforming old enterprises, the stress should be laid on the latter. Meanwhile, it is necessary to bring in new technology on the existing basis, by either filling in technological gaps of forming complete sets of equipment so as to march forward steadily. To digest and apply the new foreign technology, it is necessary to mainly rely on our existing technological forces, that is, millions of technological personnel and scientific research personnel trained by us since the founding of the PRC. Comrade Chen Yun stressed that properly carrying out commercial work and maintaining market prices is not only an economic problem, but also a political problem. He demanded that cadres, staff, and workers engaged in commercial work acquire a political viewpoint, a mass viewpoint, and a production viewpoint, and avoid and overcome exclusive concern about profession and the tendency of routinism. Due to the limited space of this article, we are not going to discuss this in detail. Discreet readers may find from Comrade Chen Yun's articles some things which are still useful today.

IV

Building a powerful party which is consolidated politically and organizationally is a task which all party members, leading party cadres in particular, must not ignore at any time. Without such a party which leads us in building socialism, our cause cannot advance and succeed.

When assuming the post of the organizational department director of the CPC Central Committee in Yanan, Comrade Chen Yun expounded in detail problems about the requirements of party members, party branches, the party's mass work, party discipline, the party's policy on cadres, and the study of theory. In Volume 3 of the "Selected Works of Chen Yun," in view of the problems in the new historical period, Comrade Chen Yun put forth many important suggestions on the building of our party. The main content of his suggestions can be summarized into the following four areas:

1. IT IS NECESSARY TO GRASP IMPROVEMENT OF PARTY STYLE. Comrade Chen Yun was elected first secretary of the Central Discipline Inspection Commission at the 3d Plenary Session of the 11th CPC Central Committee. In January 1979, at the first meeting of the commission, he pointed out that the basic task of the Central Discipline Inspection Commission was to safeguard party regulations and law and to straighten out party style. In November 1980, he raised the important view that the problem of the style of a ruling party is an issue concerning the life and death of the party, and called for improving party style permanently. The practice over the past few years has proved that this view of Comrade Chen Yun struck home. In January 1982, he and other Standing Committee members of the CPC Central Committee [zhong yang chang wei 0022 1135 1603 1201] called for hitting hard at serious economic crimes. In June of the same year, he said that in the course of straightening out party style, it is necessary to pay attention to the phenomena of ignoring principles and confusing right and wrong, to correct the trend of fearing problems, struggles, and offending others, and not to isolate those who uphold principles. He believed that only by first forming within the party a general mood of distinguishing right and wrong will the party be united and have combat strength. Consequently, the general social mood will improve, healthy tendencies will rise, and unhealthy tendencies will

disappear. At the 2d Plenary Session of the 12th CPC Central Committee held in October 1983, Comrade Chen Yun once again pointed out that since the party came to power throughout the country, the leadership power of central organs, grass-roots units, enterprises, institutions, and production teams have been in the hands of party members. Party members can use the various powers in their hands to seek private interests. Many of those who have committed corruption were party members or were protected by party members. If we fail to hit hard at those who seek private interests by taking advantage of their power and position, party style will be ruined and the party will become unpopular. At the National Conference of Party Delegates in September 1985, Comrade Chen Yun also stressed that leading cadres at all levels, high-ranking leading cadres in particular, must pay serious attention to the prime issue of party style, and must set a good example in improving party style. Incumbent and retired high-ranking leading cadres must also set a good example in properly educating their sons and daughters. In his written speech at the Sixth Plenary Session of the Central Discipline Inspection Commission, Comrade Chen Yun further pointed out that if we turn a blind eye to the evil tendencies which undermine socialist construction and corrupt the party style and general social mood, and if we let the tendencies develop unchecked, it is necessary, in addition to punishing those individuals who do evil, to affix responsibility to the CPC committees and discipline inspection committees of the units and areas concerned. From the above exposition of Comrade Chen Yun, we realize that straightening out party style is a prime issue which can ensure the smooth progress of our economic construction and economic structural reform.

2. WE MUST ADHERE TO DEMOCRATIC CENTRALISM. Whether or not acting upon the principle of democratic centralism is a major indication of normal or abnormal political life within the party, we had bitter lessons regarding this problem in the past. One of the important reasons for the continuous development of the "leftist" guiding thought after the founding of the PRC was the abnormal inner-party political life and that Comrade Mao Zedong had the final say on major problems under the increasingly weakened collective leadership. Thus, the erroneous guiding thought was hard to correct and became more and more serious, leading to the "Cultural Revolution" in the end. Comrade Chen Yun profoundly pointed out that the lack of democratic centralism within the party and the abolishment of collective leadership within the party was the main reason for the appearance of the "Cultural Revolution." He repeatedly said that there must be both democracy and centralism in inner-party political life, and different opinions and disputes should be allowed within the party. This is not a bad thing, as we can be more prudent and make fewer mistakes. What we fear is not if people give wrong opinions, but if people keep silent within the party. If no one speaks at a meeting, it will not be a good thing. Party organizations must allow comrades to raise different views, for this is a good phenomenon indicating a boom in our party's cause. Leading comrades in charge of important work must especially be modest. They must constantly heed different opinions and listen to opinions from the opposite side. Otherwise, people will not speak out and tell the truth and will only speak lies and flattery. This is very harmful to the party's cause. Comrade Chen Yun also expressed the hope that middle-aged and young cadrds who have newly joined the leading groups will act upon the principle of democratic centralism.

3. WE MUST PAY SERIOUS ATTENTION TO TRAINING AND PROMOTING MIDDLE-AGED AND YOUNG CADRES. In accordance with Comrade Deng Xiaoping's views on earnestly selecting successors, in 1981, Comrade Chen Yun called for immediately training and promoting thousands upon thousands of middle-aged and young cadres so as to take over from veteran cadres and build a cadre contingent consisting of old, middle-aged, and young cadres who can serve modernization construction. Both these men believe that this is a strategic task determining the task of our party and state.

Comrade Chen Yun has all along stressed that the requirement for promoting and employing cadres is that they must have both ability and political integrity, and that the stress must be laid on political integrity. In the new historical period, the party raises more strict requirements on cadres. Being loyal, being unselfish, upholding principles, observing discipline, working hard, being skillful in integrating theory with practice, maintaining close links with the masses, carrying out criticism and self-criticism--all these remain the basic requirements which all party cadres must meet. However, modernization construction demands that all cadres, particularly leading cadres at all levels who are in the first line, have a higher cultural level, better professional knowledge, and management experience, and be in the prime of life and energetic, which many veteran cadres lack. Different historical periods have different tasks. New tasks call for establishing a new cadre contingent, which is a demand raised by history. In his two articles, "Promoting and Cultivating Middle-Aged and Young Cadres Is an Immediate Concern" and "Promoting Thousands Upon Thousands of Middle-Aged and Young Cadres," Comrade Chen Yun repeatedly expounded the necessity and urgency of this problem, arousing the attention of the whole party.

We have made remarkable achievements in cultivating and promoting a great number of middle-aged and young cadres over the past few years. A great number of veteran cadres and party members have voluntarily withdrawn to the second line or retired in the interest of the whole party. At the National Conference of Party Delegates held in 1985, central leaders made proper arrangements in regard to leaders at different echelons. This is undoubtedly of far-reaching significance to China's socialist modernization.

4. WE MUST FIRMLY GRASP THE BUILDING OF SPIRITUAL CIVILIZATION. This is an important matter which has a direct bearing on the improvement of party style and general social mood. Comrade Chen Yun and Comrade Deng Xiaoping, together with other central leading comrades, vigorously advocated building material and spiritual civilization simultaneously and combining and grasping the building of the two civilizations. Without good party style and general social mood, people will have no great ideals, no strong will, and no hard-working spirit, and the building of material civilization will be seriously disrupted, not be carried out smoothly as scheduled, and not be successful. Comrade Deng Xiaoping recently stressed that if we genuinely grasp the building of spiritual civilization, we will have hope. If we fail to firmly grasp the building of spiritual civilization, we will be hopeless. We all know that political and ideological damage caused to our party by the "Cultural Revolution" are more serious than organizational damage, for the "Cultural Revolution" confused people's ideas and corrupted their style.

Moreover, in the course of enlivening the domestic economy and opening up to the outside world, we relaxed ideological and political work for a time. As a result, decadent bourgeois ideas and style broke through when we were off guard, and some abominable behavior of feudal society revived to corrode our party's body and corrupt our party style. Comrade Chen Yun seriously pointed out at a meeting: If we fail to build socialist spiritual civilization simultaneously, the building of material civilization will deviate from the correct path. Worse, it may even deviate from socialist and communist ideals, which is very dangerous. Comrade Deng Xiaoping also warned the whole party that China must build modernization, and must not carry out liberalism and take the road of Western capitalism. These are important opinions and instructions.

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Those who are familiar with Comrade Chen Yun and his works all strongly feel that Comrade Chen Yun is very practical in everything. He adheres to proceeding from reality in thinking over problems and making decisions. Comrade Chen Yun is one of those leaders who have all along upheld the principle of seeking truth from facts among the veteran proletarian revolutionaries of our party. From Comrade Chen Yun's revolutionary practice over the past 60 years, we can see that it was precisely due to his adherence to seeking truth from facts that he made fewer mistakes and achieved relatively better results in fulfilling all complicated and arduous tasks assigned by the party.

Seeking truth from facts, which is an ideological principle the whole party must follow, is the most powerful weapon for transforming the objective world. Its basic characteristic is the correspondence between the subjective world of human beings with the objective world. To genuinely and thoroughly seek truth from facts, we must first understand the basic tenets of Marxism, and master correct standpoints, viewpoints, and methods to sum up both positive and negative experience in our work, so that our knowledge can move from partial to overall and from perceptual to rational, and so we can understand the essence and objective laws of things. We have also seen from historical experiences that to adhere to seeking truth from facts, we must also have a high degree of party spirit, set an objective of wholeheartedly serving the people, guard against arrogance after winning victories, be modest and prudent, be good at heeding the opinions from the masses, and carry out democratic centralism heart and soul. It is unimaginable that one who knows nothing about the theory of Marxism-Leninism, has no practical experiences, and lacks strong party spirit would adhere to principle of seeking truth from facts and transform the objective world successfully.

As early as the early 1940's, after following Comrade Mao Zedong in the study of Marxist philosophy and summing up experiences of the protracted revolutionary struggle in Yenan, Comrade Chen Yun put forth the view of "not following all instructions of the higher leadership, not copying books, and adhering to facts," which called for deep thought. "Blindly following instructions of higher leadership and copying books" was the cause for the third "leftist" line within the party during the second civil war. Of course, "not following instructions of higher leadership" does not mean that we can refuse to implement resolutions collectively made by the higher leadership, and "not copying books" does not mean that we can refuse to read books of Marx and Lenin or even abandon the basic tenets of Marxism-Leninism. This should not be misunderstood.

At that time, Comrade Chen Yun used the words of "not following all instructions of higher leadership, not copying books, and adhering to facts" to express the dialectical materialist attitude which we communists must adopt. Afterwards, he himself adhered to the words in his work. In the 1950's, he summarized the way to know the truth as "completely, comparatively, and repeatedly." He reexplained and developed this idea after the serious setbacks of the "Great Leap Forward" and the people's commune movement. He told us that we must not view problems in a lopsided way, but must view problems in an overall way so as to avoid one-sidedness. While studying problems, formulating policies, decisions, and plans, we must make comparisons between the past and present and between China and other countries, and must not get into a corner. On some complicated problems, in addition to having a complete understanding and making comparisons in many fields, we must make decisions after turning the matter over again and again and must not make hasty decisions. The words "completely, comparatively, and repeatedly" are the essence of dialectical materialism.

After decades of practice, the above words of Comrade Chen Yun have been proved simple to understand and practicable. In knowing things, we always proceed from facts and take the road of practice-knowledge-practice again-knowledge again, strive to have complete knowledge, make more comparisons, and think over and over. Only thus can we gradually reach the truth. It is thus clearly seen that these words of Comrade Chen Yun are the unity of materialism and dialectics. Only by adopting a practical attitude and strictly adhering to dialectical materialist theory on knowledge and methodology can we truly seek truth from facts.

Comrade Chen Yun has said more than once that we must spend more than 90 percent of our time conducting investigations and research and less than 10 percent of our time making decisions. When considering an important problem, he often obtains basic information first and then holds various meetings to solicit opinions. In the course of investigation and research, he always pays special attention to opinions different from his ideas. If no different views are aired at meetings, he tries to guide people to consider the problem from the opposite side. After listening to various positive and negative opinions, he makes a comparison and turns the matter over in his mind again and again, and then makes a decision. When studying the three volumes of the works of Chen Yun, the foremost and essential thing is to learn his scientific attitude of seeking truth from facts and his way of thinking and working.

Comrade Chen Yun has personally examined and read all the volumes of the "Selected Works of Chen Yun." He requested that no alteration be made in compiling and selecting his articles so as to avoid unauthenticity and that even wrong parts should not be revised. He repeatedly said that every effort should be made not to magnify his merits in explaining and introducing his articles. We must attribute all our achievements first to the masses, then to the party, and finally to individuals. As for the mistakes we have made, we must have the courage to correct them and draw lessons. Comrades taking part in the editing of the book were deeply moved by this practical spirit and modest attitude of Comrade Chen Yun.

People may find in the three volumes that there are no articles written by Comrade Chen Yun in the 15 years from March 1962 to March 1977. This was the period in which his correct ideas were negated and criticized and he was basically deprived of his right to speak. During this period, he upheld truth, strictly observed party discipline, refused to be contaminated by evil influences, and devoted himself to the exploration of truth. After the smashing of the "gang of four," he immediately dedicated his heart and efforts to the party's cause and put forth many valuable ideas and opinions on key and important issues. This noble character of maintaining a strong party spirit under a difficult situation is shared by many veteran proletarian revolutionaries. This character will pass from generation to generation and educate all communists.

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MAKE A SUCCESS OF IDEOLOGICAL WORK IN THE CADRE RANKS IN THE SPIRIT OF REFORM

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[Article by Xu Shijie [6079 1102 2638], secretary of the Guangzhou City CPC Committee; capitalized passages published in boldface]

[Text] Our Guangzhou, located in the Zhujiang Delta, is one of China's developed areas in commodity economy. Close to Hong Kong and Macao, it is also a coastal city that developed foreign ties very early. All this has created good social conditions for opening up to the outside world and carrying out reforms, and has given rise to strong social demands. The ideological reflection of the social conditions and objective demands is that most cadres and the masses harbor relatively liberal ideas; adopt an active attitude toward and support the central leadership's policy of opening up and reform; are relatively capable of absorbing, digesting, filtering, and transforming Western civilization; and have fairly strong ability to sustain "setbacks" in the course of opening up and reform. This is an important cause for our achievements in opening up and reform over the past few years. However, we also met with some ideological obstacles. The main reflection of these ideological obstacles is that some of our comrades hoped for a stable situation and were afraid of turbulence, advocating acting upon "classical works" and "red-headed" documents. They were overcautious and lacked the courage to take a first step in opening up and reform. Others laid undue stress on objective difficulties, were overcautious and indecisive for fear of making mistakes, and dared not explore a new road in opening up and reform. On the other hand, some of our comrades seem to "suddenly discover" that our system has no saving graces and everything is good in the West, advocating copying foreign experience indiscriminately and complaining that we are "opening up" to the outside world on a too-small scale and too slowly. This metaphysical way of thinking and ossified mental status of "copying books," "acting upon instructions of higher authorities," and "blindly learning foreign experiences" is incompatible with the new situation of opening up and reform. Just as Comrade Deng Xiaoping pointed out: "Our four modernizations drive will get nowhere unless rigid thinking is broken down and the minds of cadres and of the masses are completely emancipated." ("Selected Works of Deng Xiaoping," p 133) The practice in Guangzhou over the past few years has taught us that without opening up to the outside world and carrying out reforms, it is impossible to create conditions to thoroughly eradicate old habitual forces; and without carrying out ideological building centered on reforming people's ideas in the spirit of reform, without correcting various "leftist," "right," and small producers' ideas and way of thinking among cadres which are unsuited to the modernization drive, and without resolving the problem of thinking lagging behind reality, it is impossible to push forward the process of opening up and reform.

1. BY GRASPING REFORM OF THE METAPHYSICAL WAY OF THINKING AND OSSIFIED MENTAL STATUS OF "COPYING BOOKS" AND "ACTING UPON INSTRUCTION OF HIGHER AUTHORITIES," WE HAVE REPEATEDLY EDUCATED CADRES IN MARXIST PRINCIPLES OF SEEKING TRUTH FROM FACTS AND EMANCIPATING PEOPLE'S MINDS. Since the 3d Plenum of the 11th CPC Central Committee, we have thoroughly criticized the "two whatevers" theoretically and politically and widely carried out the debate over "practice is the only criterion for testing truth." In addition, we have organized cadres to earnestly study the "Selected Works of Deng Xiaoping," and particularly Comrade Deng Xiaoping's exposition on emancipating people's minds and resolutely carrying out reforms. In connection with reality, the cadres have exposed defects in the current economic management system and other management systems, emancipated their minds, and changed their ideas, thus becoming pioneers in opening up and reform. In the course of opening up and reform, on the one hand, we advocate that cadres at all levels must have the revolutionary spirit of daring to open up a new situation and explore a new road; on the other hand, we demand that cadres adhere to the scientific approach of seeking truth from facts and combine and coordinate the two closely. For example, in the early period of opening up to the outside world, due to the restriction of our system which separated departments and areas, we met difficulties in our work. At that time, we adhered to the guiding thinking of "having more liberal ideas, taking more relaxed policies, and carrying out activities more extensively," and demand that cadres throw away unreasonable restrictions of the old system. We also explicitly put forth: "If there is no way by river, find a way on land; if there is no way on land, find a way in mountains; if there is no way in mountains, blaze a new trail through brambles." Consequently, we have made great development in various reforms, in foreign economic and technological cooperation, and in lateral economic ties within the country. In the course of concrete work, we also advocated the principle of seeking truth from facts and acted carefully by proceeding from reality. In carrying out every reform, we first conducted meticulous investigations and study and then formulated a plan and made an experiment. After gaining some experiences from the experiment, we then carried out the reform in a planned way and step by step. This is the key to the success made by Guangzhou in the course of opening up and reform.

2. IN ACCORDANCE WITH URBAN CHARACTERISTICS AND STRONG POINTS, WE HAVE CONDUCTED EDUCATION ON CADRES IN "REUNDERSTANDING" GUANGZHOU. In terms of understanding, whether a city or an area can achieve success in reform and opening up lies in whether it can creatively implement the principles, policies, and relevant spirit of the central leadership according to its own characteristics and strong points. The more deeply a city or an area understands its own characteristics and strong points, the better it can understand the significance of the "special policies and flexible measures" granted by the CPC Central Committee and the better it can give play to a series of principles and policies of the central leadership. Based on this,

by seriously summing up the experiences and bitter lessons in Guangzhou's economic construction over the past 30-odd years, by heeding the opinions of theoretical and practical workers, and by going deep into practice to conduct investigations, we have extensively educated cadres on "reunderstanding" Guangzhou. As a result, cadres have quickened their pace in opening up and reform by making use of Guangzhou's characteristics and strong points more conscientiously. For example, in the "reunderstanding" education, we organized cadres to make a serious analysis of Guangzhou's characteristics and strong points of being close to Hong Kong and Macao and having many overseas connections, to eliminate previous "leftist" ideological influence on Overseas Chinese and Hong Kong and Macao compatriots, to further implement the party's policies on Overseas Chinese affairs and united front work, and to encourage cadres, staff, and workers who have overseas and Hong Kong and Macao connections to urge their relatives to make contributions to socialist construction of their motherland. This aroused patriotic enthusiasm of Overseas Chinese and Hong Kong and Macao compatriots, ensured smooth progress of the city's work in using foreign funds and bringing in advanced technology and equipment, and gave new vitality to the city's economy. We also guided cadres to earnestly analyze Guangzhou's characteristics and strong points of being the largest commodity distributing center in south China, to treat reforming circulation channels as a breakthrough, and to develop lateral economic ties by adopting the measure of "opening up the city, absorbing funds to make fortune" and dredging circulation channels, thus boosting urban and rural economy.

3. IN ACCORDANCE WITH THE PRINCIPLE OF "BRINGING IN SOME WHILE RESISTING OTHERS" AND "EXCLUDING ONLY POLLUTION AND NOT ALL FOREIGN THINGS, BRINGING IN GOOD NOT BAD THINGS," WE HAVE EDUCATED CADRES ON FIRM BELIEF IN MARXISM AND LENINISM. Standing at the forefront of opening up and reform, Guangzhou is one pilot project in reform and plays the role of "window" in certain aspects. While we adhered to bringing good and resisting bad things in bringing in Western material civilization, we adopted the same attitude in bringing in Western spiritual civilization. Only by earnestly learning others' achievements and successful experiences, resisting bad things, and using others' strong points to make up our weakness, can we vigorously develop social productive forces. The closed-door policy would place us in a passive position. If we believe foreign things are good and copy them indiscriminately, we can neither absorb and digest all things beneficial to us nor develop our work creatively. Worse, we might go astray. Therefore, in the course of opening up and reform, we actively encouraged and guided cadres to understand the trend of the world's economic and technological development, to earnestly learn foreign advanced technology and management experience, to expand their vision, and to meet the world's new technological challenge in ideology and action. On guiding thought on our professional work, we stressed that on the basis of self-reliance, we must actively bring in advanced foreign technology and equipment and closely combine the importing of "hardware" and "software," so that the imported advanced technology and equipment can truly be used by us and can play its due role. In the course of opening up and reform, we paid attention to correcting the wrong idea of "blindly copying all foreign things." In particular, in accordance with the problem of understanding and the ideological trends of cadres and the masses

in different periods and in close connection with party rectification, we carried out the activities of learning from PLA heroes and models, exposed and criticized a handful of negative examples, and extensively and profoundly conducted education in firm belief in Marxism and communism, thus basically deepening cadres' ideological understanding and strengthening their ability to resist the corrosion of capitalist ideology. Practice has proved that this can not only bring in fresh air, but also can resist "mosquitoes" and "flies" after opening the "window," thus ensuring healthy development of opening up and reform.

4. WE ADHERED TO THE MARXIST AND MATERIALIST THEORY OF KNOWLEDGE, CHANGED OLD WAYS OF THINKING, AND VIEWED, UNDERSTOOD, AND HANDLED NEW THINGS IN A NEW WAY. If we still analyze, view, and handle today's new situations, problems, and things in an old way during the new period, we might treat correct things as wrong ones, active things as passive ones, and progressive ones as backward ones. Over the past few years, we have mainly changed the following several ideas in ideological construction:

WE HAVE CHANGED OUR IDEA ABOUT TIME AND EFFECT. Paying no attention to time and efficiency has for a long time been a common disease in our economic construction. People were used to working at a slow tempo as doing more or less made no difference and people had an "iron rice bowl" in their hands. However, after opening up to the outside world, foreign capital and businessmen have made their way into Guangzhou, so the situation forced people to pay more attention to time, efficiency, interest of loans, repayment ability, and time of cooperation. The contradiction between the "slow" habit and "fast developing" situation has become more and more prominent along with the development of the socialist commodity economy. Rigid and backward traditional ideas and slow work tempo have set many obstacles for us. Difficulty in getting things done became the most "tough" problem in the early period of opening up to the outside world. An approval procedure that can be completed in 1 day would usually take 2 days or more to complete. Some matters that can be decided by one department would involve several departments and the documents would be "kicked" back and forth and involve dozens of official chops. By grasping several typical examples and through open propaganda of internal documents and newspapers, we launched a city-wide debate over "difficulty in getting things done" to expose the damage, learn the cause, analyze the roots, and study countermeasures. Through study and discussions, people have fully understood that the "sluggish disease" is the No 1 enemy to the modernization drive and is incompatible with the new situation of opening up and reform. Meanwhile, we also paid serious attention to propagating and educating cadres to absorb and transform the new ideas of time and efficiency suited to the developed commodity economy, to do their best to create conditions and environment for establishing the new ideas in accordance with the practical conditions in the city, and to reform them in the working system as soon as possible. For example, in order to provide convenience to foreign businessmen, joint ventures, and cooperative enterprises in going through official procedures, the "Guangzhou Foreign Economic Work Street" was set up to concentrate examining and approving departments to "work under one roof." In order to resolve the problem of long-standing disputes over trivial matters involving several departments, the standing committee meetings of the city CPC committee and the city mayor work meetings were held on the spot and decisions were made on the spot on the basis of investigation and study. In order to change the situation of "excessive documents and meetings," we especially made a decision on reforming documents and meetings and regulations on high authorities giving official and written replies to reports from lower levels within a set time and failing to do so meaning approving the reports. By so doing, both the high and low levels have gradually cultivated and established a new idea on time and efficiency and gradually created an environment and built a habit of everyone paying attention to time and efficiency. The establishment of the new idea on time and efficiency has vigorously promoted all work in the city, raised the efficiency of leadership departments, and resulted in a great number of enterprises that "race against time and strive for high efficiency." Many construction projects have been completed ahead of schedule.

CHANGE THE IDEA ON KNOWLEDGE AND TALENTED PEOPLE. We are now facing various challenges of the world's new scientific and technological revolution, and both international and domestic markets are fraught with keen competition. In the final analysis, all competition is the competition of talented people. To cultivate talented people, we must first resolve the problem of respecting knowledge and talented people. This first requires people to change their traditional idea of knowledge and talented people and to "combat all ideas and practices that belittle science and technology, the cultivation of intellectual resources, and the role of intellectuals." ("Decision of the CPC Central Committee on Reform of the Economic Structure") China's long-standing closed and semiclosed self-supporting natural economy has formed a traditional idea among people of belittling modern science and knowledge. After liberation, the long-standing "leftist" ideological influence within the party ranked intellectuals among those to be transformed and used. In addition, what we practiced was the product economy system of unified and assigned purchase and marketing which transcended our historical stage and was divorced from our real level of productive forces. All this has given a political tinge to some traditional backward idea on knowledge and talented people. Therefore, to reform this idea, the most important thing is to criticize extra leftist ideas and to seriously bring order out of chaos. By grasping this subject, we have since the 3d Plenum of the 11th CPC Central Committee repeatedly organized party members and cadres to criticize the wrong idea of belittling intellectuals, science and technology, and intellectual exploitation; eradicated extra leftist ideological influence; and completely implemented the policies on intellectuals in such "concrete" fields as political treatment, economic income, and housing. In the meantime, we set up some advanced examples of respecting and responsibly employing talented people, such as the Baiyunshan Pharmaceutical Plant, and held on-the-spot meetings of leading cadres above the district, county, and bureau levels at the plant to promote their experience. We also used various propaganda means to commend and publicize those good examples of being skillful in discovering and cultivating talented people and to criticize and deal with cases of suppressing and destroying talented people. We also carried out reform in selecting and cultivating cadres, in reorganizing and strengthening leadership groups of organizational and personnel departments, and in the economic management system and the personnel management system. For example, we selected the president of the Guangzhou University and deputy director of the Guangzhou City Foreign Economic Commission by open examination and recruitment test. All these measures and policies of respecting knowledge and talented people have promoted the change of the idea on knowledge and talented people. As cadres have established an idea of respecting knowledge and talented people and implemented various measures of cultivating and employing talented people in practical work, an upsurge of learning knowledge has been launched throughout the city and various kinds of part-time and full-time study classes, such as TV university, part-time university, correspondence university, and various professional classes, have sprung up like mushrooms throughout the city. Of all young staff and workers in the city, about 570,000 have taken part in various reading activities, 420,000 have attended various study classes, and 80 percent are engaged in various amateur studies.

CHANGE THE TRADITIONAL IDEA ON LIFESTYLE. Due to a rapid increase in people's income since opening up and reform and the change in mode of production and the influence of lifestyle of economically developed countries along with opening up and reform, changes have taken place in the people's lifestyle. Every change in the people's lifestyle inevitably resulted in people's conflicts over old and new ideas. Some changes in the people's lifestyle in Guangzhou city over the past few years have brought disputes. For example, some people liked jeans and high-heeled shoes, others liked dancing and playing billiards, still others liked musical teahouses. However, some people viewed this lifestyle in a traditional way, treating fashionable clothes as "outlandish clothes" and dancing at leisure times as bourgeois romance. In short, they indiscriminately treated some changes in the people's lifestyle and people's quest for beautifying life as bourgeois lifestyle.

Here arises a question of how to view and deal with some phenomena in social life. Should we approve of all these things and take a laissez-faire attitude? Or should we treat them as great scourges and forbid them all? We believe that both attitudes are undesirable. The correct attitude is that we should support a progressive, healthy, civilized, and scientific new lifestyle; admit different spending ways and desires in life; and allow each individual to make his own choice. As for things that should be resisted and abandoned, it is necessary to adopt administrative means to forbid some of them and to give guidance and adopt the method of persuasion and education to deal with most of them. This is to say, we must support some, guide some, and forbid some.

We have deeply understood that on the issue of viewing the change in the people's lifestyle, we must abandon the view to set production against spending, the view to set the change in spending ways against hard work and plain living, and the view to set pursuing colorful cultural life against building socialist spiritual civilization. Under the new situation of opening up and reform, we must selectively support the new idea on lifestyle, cultivate new moral integrity in our life, form a new lifestyle, and create a new environment of daily life, so that people can "temper new quality...form new strength and new ideas, give rise to new exchange ways, new requirements, and new language." ("Complete Works of Marx and Engels," Vol 46, first half, p 494) As for some lifestyles that are neither extremely harmful nor extremely beneficial, it is not necessary to hurriedly encourage or forbid them. They should be examined and selected by the masses themselves. We must believe that the masses have the ability to distinguish right from wrong. Of course, there is a handful of people who blindly worship and seek a Western bourgeois lifestyle, and we should neither be surprised, alarmed, or lose our vigilance. Provided that we adhere to the principle of "excluding polluted things, not all foreign things," actively give guidance, and hit hard at a handful of black sheep, we will achieve good results.

In carrying out ideological and political work centered on changing people's ideas, we paid attention to changing the previous simple method of preaching; adhered to democratic discussions; adhered to the method of persuasion and reasoning; adopted various methods to guide middle-aged and young cadres to learn politics, culture, management, and scientific knowledge; and conducted education in Marxist and communist belief in various studies and discussions, so that they can conscientiously integrate "study fever" with the cultivation of a new generation that "has moral integrity, ideals, and culture and observes discipline," and associate their future and ideals with the party's cause, particularly the opening up and reform at present. We paid attention to and made use of the important role of information. We conducted public opinion polls in various forms, carried out city-wide activities of democratic assessment and recommendation of cadres, had direct knowledge of cadres' work and daily life, and mastered the ideological trend of the masses. We actively developed lateral ties, exchanged information with all cities in the country about ideological construction, and established an ideological and political research work network in some large cities, so that our ideological and political work became more purposeful, its contents more substantial, its forms more varied, and its effect more remarkable. We paid attention to bringing into play the role of advanced examples in educating others. While giving much publicity to advanced examples, we paid attention not only to giving publicity to advanced examples in words and by meetings, but also to spreading advanced images and made videotapes of advanced examples and broadcast the videotapes among the cadres and masses so that the experiences and noble spirit of the advanced examples became the common spiritual wealth of the people throughout the city. We paid attention to integrating solving ideological problems with meeting the normal needs of cadres and the masses. Along with the improvement of material and production conditions of our society, people will raise various spiritual and material demands, which will usually be linked with ideological problems. Our duty is to use the basic tenets of Marxism to strengthen education and solve problems in ideological understanding while not evading people's demands, and to integrate the solving of people's ideological problems with the study and meeting of people's normal demands. Practice has proved that this was a correct way.

Under the new situation, we adhered to using the spirit of reform to conduct ideological construction among cadres centered on changing people's ideas, so that cadres and the masses in the city have always maintained an active and progressive mental status. This has vigorously promoted the building of "two civilizations" and the smooth development of economic construction in Guangzhou city. We have done some work and explored some experiences in this respect over the past few years, but much work has just started and many practices must be improved. Efforts should be made for further exploration.

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PUT ENTERPRISES UNDER A LOWER ADMINISTRATIVE LEVEL AND UNDER THE CONTROL OF DIFFERENT TRADES

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[Article by Li Tieying [2621 6993 2503]]

[Text] A central task in the economic structural reform in our country is to expand enterprise decisionmaking power and arouse the initiative of the enterprises so as to turn the enterprises into relatively independent commodity producers and handlers which have the ability to develop and transform themselves, have rights to operate their businesses on their own, and bear sole responsibility for their profits and losses. Devolving the management of enterprises to lower levels, separating government functions from those of enterprises, and changing department management into trade management are the major steps for realizing the above purpose. Why should the enterprises be devolved to lower administrative levels and how should we conduct trade management? The following are our ideas on these issues gained through the initial practice of reform in the electronics industry.

Enterprise Devolution Is an Important Link in the Structural Reform

The economic structural reform in the electronics industry, like all trades in our country, started by streamlining administration and expanding enterprise decisionmaking power in their routine management and operations. However, in the course of expanding enterprise decisionmaking power, we found that because the old structure in which enterprises were directly managed by state institutions remained unchanged, and because the enterprises were still controlled by departments which were separated from one another, it was still hard to enliven the enterprises. Many things in capital construction, scientific research, and production were scattered or duplicated. In order to deepen the economic structural reform in the electronics industry, our primary task is to devolve the management of the enterprises in a planned and orderly way to lower levels. We think that the devolution of enterprises will be favorable to the adoption of measures for streamlining administration and expanding enterprise decisionmaking power, will enable the enterprises to operate their businesses in light of the law of value and by making use of the market mechanisms, will free the enterprises from the position of being affiliated organizations of the government institutions so as to develop themselves independently by organizing economic activities in cities, and will help break the structure in which departments, localities, and trade are separated from each other so as to create conditions for developing extensive horizontal economic relations. Thus, the old concept of department management will be changed, as will the functions of various government departments. The overall planning and management of trades will then be more rapidly effected. In short, the devolution of enterprises is an important step for separating enterprise functions from those of government institutions and for invigorating enterprises, so it is in line with the requirements of the developmental regularity of the socialist commodity economy.

Since 1985, we have begun to devote great efforts to promote the devolution of enterprises. At present, 161 enterprises out of the 172 enterprises which were previously directly managed by the Ministry of Electronics have been devolved to lower levels; that is, 93.6 percent of the ministry-run enterprises have been devolved. The principal leaders of the ministry personally handled the work of enterprise devolution. Local government also organized special groups headed by provincial, regional, and municipal leading cadres to support the work of enterprise devolution. They jointly studied and solved problems in the course of enterprise devolution with the Ministry of Electronics Industry. This is the key to successfully devolving enterprises to local authorities and to advancing reforms as a whole. We adopted flexible measures in light of the specific conditions in various localities and enterprises, did not enforce a uniform pattern on the enterprises, and did not try to accomplish the devolution course in one move. In some localities (such as Sichuan), the enterprises were directly handed to cities; in some localities (such as Guizhou), the enterprises were first grouped together and then devolved to the local management authorities as a whole; in some localities (such as Gansu), the devolved enterprises were first managed by the provincial authorities and then handed to the cities in which the enterprises are located.

The devolution of enterprises needs to change the inert old system which has existed for several decades. It is bound to encounter complicated conditions. The overall situation will be affected by every single reform step. In addition, people's opinions on this matter may differ. There will be many difficulties. Most enterprises affiliated to the Ministry of Electronics Industry shoulder military production tasks, and 57 percent of the enterprises are located in the interior areas where conditions are rather hard. In order to solve the concrete issues in the course of enterprise devolution, we dispatched some personnel to make investigations and studies in nine provinces and municipalities. They fully consulted local governments and went with local responsible people to listen to reports and opinions in 134 enterprises. We set forth five principles for dealing with the questions raised by the enterprises: The ministry will seriously solve those questions which it is able to solve; the questions which the ministry cannot solve will be reported to the upper authorities for settlement; we will continue to solve the questions which the ministry has promised to solve in the past; questions that are related to local affairs will be solved by consulting the local authorities; and clear explanations will be made if some questions cannot be solved for the moment.

In order to gain experience and promote across-the-board enterprise devolution, we selected enterprises in Sichuan and Beijing for pilot projects. We paid attention to the results of enterprise devolution in these two areas so as to seek a way to conduct across-the-board enterprise devolution. In order to ensure normal production and business activities in the course of devolving the enterprises to local management authorities, we repeatedly solicited the opinions of the local governments and the enterprises and formulated some interim regulations for the management structural reform in the enterprises subordinated to the ministry. We worked out some interim measures for planning, production, military production tasks, financial affairs, cadres, labor and wages, capital construction, product sales, environmental protection, and document management. These measures have played a good role in smoothing out economic relations under the conditions in which the new and the old systems are functioning at the same time. This ensures that all economic activities in the course of reform will not be interrupted and that the old management system will be smoothly and gradually replaced by the new system.

Enterprise devolution has achieved initial results. First of all, local authorities have given more support and paid more attention to the electronics industry enterprises. For example, they offered loans to help the enterprises solve difficulties in capital construction and technological transformation, and guaranteed the supply of water, electricity, gas and transport facilities. Second, this has changed the mentality and work methods of leading cadres at all levels. As departmental management has been changed to trade management, they have shifted their attention from routine production and operation of the enterprises to overall management and the handling of major policy issues. Third, the enterprises have been more closely linked to the markets and have reduced their dependence on the ministry. They have become more self-reliant and are operating their businesses more independently. We hold that the significance of enterprise devolution lies more in its role in paving the way for further structural reforms and economic development. With the passing of time, the results of enterprise devolution will be shown more clearly.

Trades Should Be Managed

The CPC Central Committee's proposal for the Seventh 5-Year Plan points out: "Specialized economic management departments should change their functions from directly managing their subordinate enterprises to ensuring the management of the whole trades. This is the common task for all specialized economic management departments.

For a long time in the past, we set the planned economy against the commodity economy, neglected the role of the law of value and the market mechanisms, adopted the mode of department management, and managed economic activities by relying mainly on mandatory plans, material targets, and administrative means. Under the old system, there was no commodity circulation, merely centralized distribution of materials among the enterprises. The enterprises were merely "production sections" and the management departments were "owners" of the enterprises and directly controlled the business operations of the enterprises. Because social demands changed quickly and economic relations between enterprises were complicated, although the administrative structure of the ministry was expanded again and again, it still could not match the increasing demands of economic development. Without effective macroeconomic management and brisk and vigorous microeconomic activities, the initiative and creativity of enterprises and workers will not be brought into full play. This could even cause a great waste of manpower, funds, and resources. The development of the planned commodity economy will certainly have a great impact on the shackles of department management and will certainly require the mode of trade management.

The implementation of trade management is also a requirement for the development of the electronics industry. As a new industry in modern times, the electronics industry has the characteristics of intensive high technology, intensive investment, rapid development, strong penetrating capacity, and distinct systematicness. It has broken through the limits of one single department and has penetrated many departments and trades. This thus requires that the management structure also transcend the limits of departments and localities and be expanded to trade management. Otherwise, there will be phenomena such as duplicated and scattered development projects. In the past 2 years, while microeconomic activities were enlivened and macroeconomic management did not keep pace with this situation, such problems as exporting through many channels, blindly importing goods, and carrying out duplicated construction projects appeared in the electronics industry. Therefore, it is pressing that we conduct trade management and strengthen macroeconomic control in the further development of the electronics industry.

The change from department management to trade management is also a process of gradually forming and improving a new management system in the electronics industry. As compared with department management under the old system, trade management has the following characteristics:

First, the scope of management is different. In both department management and trade management, overall planning and balancing, coordination, supervision, and services are all necessary, but the content and scope of these items are different between department management and trade management. Department management is mainly oriented to the enterprises subordinate to the ministry. From overall planning to concrete enterprise activities, the ministry gives detailed guidance and exercises strict management. However, local enterprises in this trade are treated in a different way. No attention is paid to the electronic enterprises in other departments. In fact, department management cannot exercise comprehensive control over all electronics industrial enterprises throughout the country. However, trade management is oriented to all electronics enterprises in the whole country and ensure unified planning and management over these enterprises no matter whether they are central or local enterprises and no matter what departments they are subordinate to.

Second, the content and methods of management are different. Department management includes both microeconomic and macroeconomic management, and its main task is to directly run enterprises. However, trade management is mainly to formulate a development program for the whole trade, study the major economic and technological policies, organize exchanges of information and technology, and organize personnel training. The management methods also change correspondingly. By replacing department management with trade management, we will shift from direct control to indirect control, concentrate on macroeconomic management rather than microeconomic management, and replace mere administrative intervention with policies, legal regulations, and economic levers in economic management.

Under the conditions of department management, the ministry in charge is the direct controller of the enterprises. The ministry only pays attention to controlling the enterprises and does not pay attention to providing the enterprises with services. Trade management lays stress on providing services. It creates a favorable environment and conditions for the invigoration of the enterprises. Apart from the formulation of overall plans and policies and regulations, trade management also provides extensive services for the enterprises in the aspects of business decisionmaking, product development, quality control, technology introduction and application, supply and marketing, and information. These services will be effected through the functions of various academic societies, associations, and service centers. This is, in fact, a change in the functions of department management. Successfully accomplishing this change, establishing a backup system, and giving full play to the role of assistance of this system are also an important part of trade management.

Third, the organizational conditions and position of the object of management are different. Enterprises are the objects of both department management and trade management. Under the conditions of department management, enterprises are merely subsidiaries of government institutions. When department management is replaced with trade management, enterprises will be changed into economic entities which operate their businesses on their own and bear sole responsibility for their profits and losses. This, to a great extent, determines the depth and procedures of trade management. In particular, with the development of horizontal economic ties between enterprises, the enterprises will form various combination bodies and groups. This will help break through the situation in which departments and localities are separated from each other and in which enterprises are government subsidiaries. The enterprise groups have a strong radiating force and a strong attraction. Enterprises which cannot completely become independent economic entities can shift to rely on these enterprise groups rather than relying on government institutions. At the same time, the government institutions can also be freed from the routine affairs of directly managing the enterprises. In short, the integration of the enterprises will be favorable to trade management. When enterprise groups of varying sizes become pillars of the electronics industry in our country, we will be able to effectively manage the whole trade by controlling a number of major enterprise groups.

Fourth, external relations are different. Under the conditions of department management, departments are separated from each other from the central to local levels, which causes many contradictions between the departments and hinders the development of the electronics industry. After trade management is effected, the ministries and the provincial (or municipal) departments concerned will no longer be "owners" of the enterprises. They will gradually stop direct management of the enterprises and will just offer services to the enterprises. These government institutions will join hands with the enterprises in striving for the common objective of invigorating the enterprises and the electronics industry. The interests of all parties concerned will become parallel, and their relations will change from the previous state of antagonism, buck-passing, and separation into a new state of combination and cooperation.

Effective Trade Management Is an Evolution Process

At present, as the old system is being superseded by the new, there are indeed some difficulties for trade management: First, the functions of enterprises have not been clearly separated from those of government institutions, and enterprise decisionmaking power has not been expanded to an appropriate degree. Conditions need to be created for further expansion of enterprise decisionmaking power. Second, the problem of departments and localities being separated from one another has not been completely solved, and the conditions for central cities to run the enterprises which were previously subordinate to the ministry are not ripe. Third, the commodity markets, especially the market for raw materials, have not been formed yet, and the channels of planning, funds, and materials remain unchanged. Fourth, apart from the enterprises under the Ministry of Electronics Industry, the electronics enterprises in other departments have not been devolved to local levels. Fifth, the power authorized by the State Council and the comprehensive economic department to the Ministry of Electronics Industry has not been thoroughly exercised, because the economic structural reforms have not been well coordinated. Therefore, it is still rather difficult to change department management to trade management in the electronics industry. Although we cannot wait until all conditions for this change are ready, we must not advance too fast, because reckless advances will cause problems. We should have full political enthusiasm and a high revolutionary spirit to advance the reform in an indomitable manner, and should also have a realistic attitude to work prudently. Based on changes in various conditions, our principles and methods for conducting the reform are: making bold explorations, making gradual changes, operating under both the new and old systems, and ensuring a smooth transition. Speaking concretely, we should mainly succeed in doing the following things:

First, we should consolidate the reform results and create a benign environment and good conditions for trade management. Our reform measures in the previous stage have made necessary preparations for trade management. By consolidating these reform measures, we will achieve greater results and will more effectively promote trade management. Therefore, we should closely link the work of consolidating the results of administrative streamlining and enterprise devolution with the work of conducting trade management. This year, the Ministry of Electronics Industry will send a number of work groups to examine and guide the enterprises which have been devolved to local levels and will offer services to them. The ministry will closely cooperate with the provincial and municipal authorities in order to help the enterprises smooth out economic relations and to ensure their normal business operations and production so as to achieve good economic results. We will continue to coordinate relations between the ministry, the local authorities, and the enterprises, and adapt them to the new situation after department management is changed.

Second, we should continue to make explorations and studies in the course of effecting trade management. From now on, we will handle work in line with the requirements of trade management as long as this is possible. For example, we will formulate development principles and policies for the electronics industry; work out a long-term development program for this industry; organize major construction projects; examine and approve capital construction, major technological transformation, key investment, and key import projects; generally manage the import and export of electronics products; collect, sort out, and issue information concerning the electronics industry; provide consulting services in the fields of technology, production, and business operations for various departments and localities; organize and coordinate key state projects which involve more than one locality or department; and organize economic and technological exchanges inside the electronics industry.

Third, we should promote horizontal association between the enterprises so as to lay an organizational foundation for trade management. In the last 2 years, various forms of combination bodies have been established in the electronics industry, but the barriers between departments, localities, and industries basically remain unbroken. Enterprise devolution has provided a favorable environment for the development of horizontal economic associations. We are resolved to make the best use of the situation and to take new steps in this regard. First, we will promote cooperation between various departments so as to link the work of manufacturers with the work of users and to open a new scope of developing and applying electronics technologies. We will promote cooperation between the Ministry of Electronics Industry with all provinces and municipalities concerned in building the bases for the electronics industry. We will promote cooperation between production, research, and educational departments so that our economic development may rely on technological progress and intelligence development and our science and education may serve economic construction. We will also promote international economic and technological cooperation so as to break new ground in exportation and in importing more new technology. Second, we will establish various kinds of large-scale enterprise groups. We have planned to establish a number of enterprise groups which are influential at home and abroad in light of the principle of enterprises voluntarily participating in the groups and the leadership encouraging this participation. At present, we will concentrate on running five pilot projects successfully. They are: The Shenzhen Industrial Group Company, which involves several industries and departments; the Guizhou Zhenhua

Trade Group Company, which includes several branches of electronics production; the Beijing Computer Specialization Group Company, which includes the branches of product development, production, technology application, services, leasing, and training; the Nanjing "Panda" Product Group Company, which has a whole set of production lines for producing a complete line of products; and the Systems Engineering Company, which specializes in undertaking the contracts of key projects. Third, we will extensively develop various forms of association and cooperation. We will consolidate various combination bodies which have been set up and will seek new ways to develop cooperation between enterprises in coastal areas and in interior areas. Fourth, we will establish a number of electronics industrial bases in the whole country. On the basis of organizing enterprise groups and promoting enterprise association, we will establish electronics industrial bases with their own characteristics in Beijing, Shanghai, Jiangsu, Guangdong, and the regions of Sichuan, Shaanxi, and Guizhou. Through promoting cooperation among departments, between departments and localities, and among localities, promoting international cooperation, integrating scientific research and education with production, and establishing multi-tiered economic networks with large groups as the backbones and with bases as the core, in order to lay an organizational foundation for trade management.

Fourth, we should strengthen the study of laws and regulations and should formulate regulations for trade management. The Ministry of Electronics Industry will lay down various management regulations, technical standards, and organize the formulation of rules and regulations for trade management. The new economic relations and norms for various economic activities should be codified into laws so that trade management can be conducted on a legal basis.

Fifth, we should pay close attention to the training of management personnel so as to raise the quality of trade management. At present, our management personnel at various levels are still used to the procedures and practices under the old system of department management and still lack knowledge about trade management. Therefore, we must speed up the training of qualified personnel for trade management, change the structure of our knowledge, and raise the skill for trade management. This is a basic condition for changing the functions of the ministry, and we must effectively handle this work.

Sixth, we should ensure the functions of trade management so as to promote all-round reform. On the one hand, we should strengthen dialogue between ministries so as to strengthen cooperation between various trades. We should also strengthen dialogue with localities. This will enable us to adapt the reform process of the electronics industry to the all-round reforms in the state departments concerned and in various provinces and municipalities. On the other hand, we should make full use of the ready-made conditions, create new conditions, and make advances. We will actively discuss the formulation of detailed rules with the departments concerned in light of the functions and regulatory means assigned by the state to the Ministry of Electronics Industry. We will join hands with the departments concerned in working out solutions for problems we encounter in the reforms in the electronics industry. We will do so to gradually implement the functions and powers granted by the state for trade management and to promote across-the-board reforms with all departments concerned.

Seventh, we should restructure the organizations so as to perfect the management mechanisms. We should properly restructure our administrative organizations in a planned and orderly way in light of the requirements of trade management. We will reduce or disband the organs whose functions are to directly manage enterprises and will strengthen and set up organs for providing trade management services. The institutions and organs in our ministry will be divided into five major sections whose functions and duties are clearly defined: 1) The section for studying scientific policy-making; 2) the section for policy-making consultation; 3) the section for conducting centralized and flexible regulation; 4) the section for guaranteeing a high efficiency; and 5) the section for conducting independent and sensitive supervision and handling feedback. At the same time, we will establish various companies for providing economic and technological services and will set up various forms of tertiary industrial organizations and trade organizations. In short, we will perfect the mechanisms of trade management through effective organizational measures so as to establish a new management system with Chinese characteristics in the electronics industry.

Devolving enterprises to local levels and conducting trade management are major changes in the management system of the electronics industry. This is also a new task for us. We are resolved to follow the correct line, principles, and policies laid down by the party central leadership and advance this important cause which has a bearing on the development of the electronics industry and the all-round reforms in our country through practice, exploration, and summing-up of experiences.

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RUNNING ENTERPRISE-TYPE COMPANIES WELL IN THE COURSE OF DEVELOPING LATERAL ALLIANCES--INVESTIGATION OF THE SHENYANG AUTOMOBILE INDUSTRIAL COMPANY

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[Investigative report by Wang Lemei [3769 2867 2734] and Sun Shuyi [1327 2885 5030]]

[Text] The Shenyang Automobile Industrial Company is an intensive economic alliance formed from 66 factories. After the company was established, the advantages of alliance were exploited, production grew on a great scale and economic benefits clearly improved. When the organization was established in April 1984, the value of the fixed assets was 210 million yuan. By the end of last year, this had grown to 290 million yuan, an increase of 38 percent. Vehicle production increased from 7,405 vehicles in 1983 to 18,000 vehicles in 1985, an increase of 1.4 times. In 1985, the taxes paid on profits totaled 260 million yuan, equivalent to the amount of investment recovered from a similar scale company.

This company now has over 50,000 staff and workers, and is the largest enterprise in Shenyang. It produces model SY130 light trucks, model 622C tourist buses and 17 types of vehicle fittings. In the last 2 years, they have persisted in readjustment through alliance and progress through reform, and grasped product readjustment, enterprise management and technological progress. From a "small but complete" production form, it has changed toward socialized large-scale production with specialized coordination. Thus, many factories have been able to change from the former long-term situation of just maintaining production and "having enough to eat and wear," to change losses into profits and to follow the road of common prosperous development.

The major methods and experiences are:

1. Unifying Ideas and Raising Understanding in Terms of Developing Lateral Alliances

This company's predecessor, the Agricultural Machinery and Industrial Vehicle Bureau, was an administrative organ. In 1983 when the administrative organs were being simplified, this bureau was changed into the Industrial Vehicle and Tractor Company. The name had changed, but the contents were the same, and it continued to exercise a government management function. In 1984, on the basis of seriously studying the "Decision on Reform of the Economic Structure" taken by the 3d Plenum of the 12th CPC Central Committee, and in accordance with the principles of economic rationality, objective needs and mutual interests, this company was divided into two companies, one an industrial vehicle company and the other an agricultural machinery company. After the companies were established, it was proposed that they not act as administrative companies, and also that they not stress trust-type, highly centralized management. Rather, it was proposed that, in accordance with the specific conditions and existing situation, they take a new road, develop lateral economic alliances and, in their production and operations practice, gradually develop and improve themselves. As the guiding ideology was proper and the direction correct, the company saw stable and smooth development.

First, the backbone factories changed from a situation of passivity and worry to one of enthusiastic efforts. Three large and medium-size backbone factories, the Shenyang Vehicle Manufacturing Plant, the Shenyang Sedan Manufacturing Plant and the Shenyang Vehicle Engine Factory, had for many years been fettered by being under the administrative control of various levels of administrative department or "turned-nameplate" companies. Thus, the production and operational activities of the enterprises were subject to all sorts of restrictions and the enterprises lacked vigor. In the early period after it was established, the company was worried that it was the same old situation but with a different name. It was still an administrative management level imposed on the enterprises, and their attitude was not enthusiastic and they were not eager. Following the deeper development of the company's internal reforms and especially the carrying out of specialized reorganization, they came to understand that if they wanted to invigorate the Shenyang vehicle industry and speed modernization, they had to follow the road of economic alliance and specialized coordination. Now, these large factories not only do well in their own company's work but, proceeding from the overall situation, have also taken on a great volume of work for the company, taken the initiative to assist the auxiliary plants in training their technical staff, improved the enterprise's quality and raised technical and management levels.

Second, there was an urgent demand to link the cooperating auxiliary plants into an alliance. For many years in the past, Shenyang city lacked unified planning for medium-size and small auxiliary and coordinating vehicle enterprise because it lacked the impetus of key products. Products were confused, technology was backward, quality was low and the products faced serious threats in market competition. However, there was no strength to carry out technological transformation. They felt that in running a company and producing brand-name vehicles, small factories also had prospects. Thus, there was a pressing need to travel the road of development through alliance.

Third, the Shenyang city leaders had a firm attitude in providing leadership in running the Industrial Vehicle Company well, and the relevant department provided warm support. In 1984, when the company had just been established, because a large number of the company's government and enterprise functions were not separated, some leading departments doubted whether the Industrial Vehicle Company could be run well. The city party committee and the city government carried out serious research into this and held that the establishment of this type of company accorded with the demands of socialized large-scale production and that it should be supported. In order that the company could see healthy development, it was decided that it should be exempted from regulatory tax. Thus, it would have a certain amount of transformation funds. Further, three factories, including a sewing machine factory and a red-brick factory were given to the company so that it could establish a general vehicle factory and expand its assembly capacity.

2. Adopting Various Forms of Alliance and Promoting the Consolidation and Development of the Company

In order to accord with the needs of developing production, the company in its management arrangements did not just have one model. Neither did it seek a completely close-knit alliance or have a single company-level legal person. They proceeded from reality and adopted four types of alliance forms: 1) A close-knit alliance with 15 factories under whole-people ownership. These are allied in terms of supply, production, sales, personnel, finance and materials and have the "six unifieds." 2) A semi-close-knit alliance with 51 collectively owned factories with independent accounting and responsible for their own profits and losses. These are allied in terms of supply, production and sales. The above-mentioned 66 factories have maintained their legal person status and are allowed, under the condition of guaranteeing the completion of the unified plans, to engage in diversified operations. 3) A loose alliance with 50 factories which carry out production in accordance with technical specifications and quality standards set by the company. They have a long-term stable cooperative relationship with the company, but organizationally are not participants in the company. 4) An ordinary cooperative relationship whereby various enterprises carry out coordination in accordance with the requirements of contracts and agreements. The number of enterprises which are allied under these last two types of loose alliance is close to 400.

In operations management, they stipulate that the production, sales product development, specialized transformation plans and technical transformation projects of those factories participating in the company must follow the company's unified plans. There is centralized unified management of the development plans, production operations, new product development, factory transformation or construction, personnel management and material supplies (but not including the materials outside the company's plans) of those factories involved in tight-knit alliances. In financial management, the company internally implements a system of accounting levels. In respect of the close-knit alliance factories, the "six unifieds" are implemented. They are: unified distribution of profits; unified depreciation rates for fixed assets; unified payment of taxes to the state; unified stipulation of ex-factory product price and prices within the company; unified financial and accounting systems; and unified statistical and report forms. For the semi-close-knit alliance factories, a system whereby they have independent accounting and are responsible for their own profits and losses was instituted. They did not participate in the unified distribution of profits and their accounts are settled only in accordance with the products they hand over. As for those enterprises with long-term and stable cooperative and coordinating relationships, accounts are settled in terms of planned prices, and in the pricing there are mutual preferential terms. For the carrying out of technological transformation, the company centralizes some funds and uses them in a unified way.

3. Changing the Situation of Being "Small But Complete" and Organizing Production in Accordance With Specialized Coordination

When the company had just been established, a total of 92 large and small factories were involved. There was great duplication between the factories in terms of products and technology, and the deployment of the production was extremely irrational. During the last 2 years, the company has centered on the requirements of producing light trucks and tourist buses and, in accordance with the principle of specialized coordination, carried out an investigation and reorganization of the products and technology of the various factories. It has basically realized a situation where, within the factories comprising the company, there are no duplicated products and the internal production relationships are tight. For the next step, it is preparing to carry out technological specialization and has set up various specialized forging, casting and electroplating centers to further improve production efficiency.

When carrying out specialized readjustment, they set down a "benefit principle." That is: All those things which will be beneficial if centralized are handled in a unified way by the company, while all those things which would be beneficial if dispersed are handled separately by the factories. Those things which, overall, are feasible but which would be difficult for individual factories to handle, should be firmly carried out. Those things which are beneficial to particular factories but damaging overall, cannot be engaged in. In specific work, seeking truth from facts is stressed and matters are handled in accordance with concrete situations in the various factories. In order to ensure the expansion of vehicle production capacity, on the one hand they have spread out some of the component production which was formerly done by the general assembly plant. This greatly increased strengths and created conditions for expanding the general assembly capacity. On the other hand, they formed alliances with some enterprises which had production capacity but which had an incorrect production direction, thus resolving the problems of the general assembly plant in having too little floor space and insufficient equipment. The Shenyang Sewing Machine Factory had 60,000 square meters of factory grounds and 20,000 square meters of factory buildings. The factory structure and the quality of the workers accorded with the needs of an engine factory. The area of the Shenyang Engine Factory was small and the factory buildings insufficient. Through alliance, it resolved both the problems of the engine factory in terms of production conditions and also resolved the problem of the sewing machine factory in terms of the direction of its product development. At the same time, on the basis of maintaining its own quality and technological superiorities, it made some of the smaller factories which were producing duplicate products and had backward management, internal units of larger factories. Then, in accordance with the overall plans, it adjusted their production and expanded production capacity, thereby stimulating the development of the small factories. In order to promote the development of specialized production, the company also zeroed in on the technical quality problems in the two vehicle series, centralized professional advantages and organized activities for tackling the key problems. They thus solved a number of technical problems and fully brought into play organizational superiorities, thereby greatly improving the technical performance and quality of products. The model SY622C tourist bus and the model SY130 light truck which are produced by this factory successively garnered, through 1984 and 1985, provincial and city superior quality product awards and new product awards. Now, the company supplies about 90 percent of the components it uses itself, and at the same time the number of product varieties has grown and new product development power has been increased.

4. Establishing Simplified, Highly Effective Management Structure of a Service Nature

The practice during the 2 years since the company was set up has shown that if one wants to run an enterprise-type company well, there must be a group of dependable management cadres. They put forward the aim of the company as "honesty, innovation, action and high effectiveness." They stressed that the cadres at various levels in the company must center on engaging in the four modernizations with vigor, and invigorate Shenyang's automobile industry. In work, they must be honest and law-abiding and must serve the grassroots-level factories with all their heart. They must also have revolutionary ideas and a revolutionary character. They must have a spirit of innovation and reform, be brave in development, daring in thought and good at work. Organs and personnel at all levels must work in a down-to-earth manner and use high efficiency in their work to guarantee the high efficiency of the enterprise. In order to ensure the quality of the staff and organs, they have arranged the interflow of cadres between the company organs and the factories. On the one hand, they transferred some of the cadres who had experience in running enterprises to the company organs to enrich the leaders of management organs and strengthen enterprise-type management. On the other hand, they allowed the existing personnel of the organs to transfer. Those personnel who had no interest in running an enterprise-type company were permitted to leave the company. Those who stayed to work in the organs had to take on economic responsibility and market risks in accordance with the demands of enterprise-type work. They had to be prepared to "come to grief." They also had to persist in changing their work style and truly serve the factories. At present, the supply of goods and raw and semifinished materials within the annual plans for the 66 factories under the company, as well as the cooperation and coordination and foreign sales work, is all handled by the company. Also, if any of the factories meet serious problems, the company takes the responsibility to resolve them. In this way, the company has become an organ of production organization, coordination and service worthy of its name.

If we compare this sort of enterprise-type company with the original administrative management organ, we can see that there have been the following changes: The original three-level management structure of industrial-bureau--company (or general plant)--factory has changed to a two-level management structure of company--factory, and thus the management levels have been reduced. The former administrative management which did not take on economic responsibility and only collected funds has changed into a system whereby enterprises take on economic responsibility and are managed through economic methods. The company does all it can to carry out good service work for its subordinate units and has strengthened the sense of responsibility of the management organs and operators. Personnel have been streamlined and although the number of people has been reduced, work efficiency has improved. The company is the direct organizer of production between enterprises as well as the organ of coordination. It also provides unified policies in dealing with the outside and a unified responsibility to upper levels. It has also changed the situation of there being a "bureaucratic" structure which only writes letters of introduction, only concerns itself with income and does not resolve concrete problems.

5. Handling the Three Relationships Well and Continuing To Consolidate and Develop Enterprise-Type Companies

1) Correctly handling the relationships between immediate and long-term interests. In the beginning, the company and the factories participating in the company mainly considered immediate "subsistence" matters and thought little about long-term development. They also thought much about partial interests and little about overall interests. In the last 2 years, they have proceeded from the overall situation, and, in accordance with the actual conditions in the various factories of the company, and the development situation in the vehicle industry across the nation, put forward the aim: "We do not seek to be the biggest, but we will certainly vie to be the best." They have also carried out plans to achieve overall rationally and begun to link up immediate interests with long-term interests. They have both immediate "subsistence" products and long-term products. They have prepared to expand the span of lateral alliances and in accordance with the situation in various places throughout the nation, have arranged rational deployment, each with its own stress, and thus progressed in forming a production network with specialized coordination.

2) Correctly handling the relationship between maintaining production superiorities and overall planning for developing a new generation of products. At present, the two basic models produced by the company are, domestically, superior in terms of technology, quality and production. Thus, they sell quite well. At present, the company's attention is focused on expanding the production capacity for existing products. They are not placing enough attention on developing new products. Next they should consider improving technology and developing new products.

3) Correctly handling the relationship between hardware, investment and software, and the development of skilled personnel. Product competition is not just competition between factories and equipment. More significantly,

it is competition between scientific management and technology, and in the end is competition in terms of skilled personnel. Apart from running their own university and a specialized middle school for staff and workers, they run classes in conjunction with a university to expand the sources of skilled personnel. The company has signed alliance agreements with two research institutes whereby the scientific research results are used in the vehicles in a planned way. They have also invited technicians and management specialists to the factory to act as consultants, to carry out investigation and to provide diagnosis and service. They have also transferred leading cadres between enterprises to help the factories carry out transformation and development.

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ADHERE TO THE PRINCIPLE THAT ALL MEN ARE EQUAL BEFORE THE LAW, SAFEGUARD THE AUTHORITY AND DIGNITY OF THE LAW

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[Article by Li Buyun [2621 2975 0061] and Wang Hanqing [3769 3352 0615]; capitalized passages published in boldface; passages within slantlines published in italics]

[Text] Since the 3d Plenum of the 11th CPC Central Committee, under the guidance of the correct policies of the CPC Central Committee, China has made great achievements in promoting democracy and strengthening the legal system. This is obvious to all. However, we must not fail to see that phenomena such as not observing the law and not strictly enforcing the law still exist in quite a few places and units. Laws are not fully observed and enforced, and they lack due authority and dignity. A small number of cadres always feel that the laws are aimed at common people, not at them. They regard themselves as special citizens above the law. They disregard law and discipline and take advantage of their power to conduct malpractices and even to violate laws and commit crimes. Once their crimes are exposed, they go hither and thither to seek help and adopt various illegal measures to escape punishment by law. There is also a small number of responsible cadres of party organizations and judicial cadres who, due to selfish motives, have turned a blind eye to these phenomena. They allow these law violators and criminals to go scot-free or "illegally bestow favors" on them so they may not be punished by law. These phenomena are seriously damaging the interests of our country and people and have aroused strong resentment and worries among the people.

Today, under China's concrete historical conditions, the significance of adhering to the principle that everyone is equal before the law and safeguarding the authority and dignity of the law is mainly expressed in the following aspects:

1. ADHERING TO THE PRINCIPLE THAT ALL MEN ARE EQUAL BEFORE THE LAW AND SAFEGUARDING THE AUTHORITY AND DIGNITY OF THE LAW IS A BASIC DEMAND FOR PERFECTING CHINA'S SOCIALIST LEGAL SYSTEM. In the new historical period, promoting socialist democracy and perfecting the socialist legal system is a basic condition for building socialist material and spiritual civilizations, an important measure for and content of reform of the economic

structure and the reforms in other fields, an important measure for and content of our effort to perfect China's socialist system, and a fundamental guarantee for long-term stability and tranquility in our country. There are two basic symbols of a perfected socialist legal system: 1) There are laws to abide by, meaning that there should be a complete set of laws that have correct content, scientific forms, and strict systems; 2) the laws should be observed, meaning that the laws should have extreme authority and dignity and should be strictly enforced and observed. If in many fields of our social life we lack laws by which to abide and regulations with which to act in accordance, we will certainly be unable to talk about perfecting the socialist legal system. If the laws lack authority and can be violated as anyone pleases, they are just worthless paper no matter how good their stipulations. In our country, if we allow some people to remain free from being restricted by law and to disregard the law and commit outrages without being punished, our socialist laws will not only be ineffective toward these people, but will also lose their sacredness and lofty dignity among all the people. Communist Party members and cadres are advanced elements among the masses. They should take the lead in safeguarding the authority of the law and be model law observers. If they regard themselves as privileged people who can disregard the law, how can they require and persuade other people outside the party and ordinary citizens to abide strictly by law and discipline? In legislation, we must win the people's confidence. The principle that all men are equal before the law has been solemnly included in China's Constitution as well as in many other laws for a long time. If we turn a blind eye to or do nothing to those who take advantage of their power to violate laws and commit crimes, our legal system will certainly lose the people's confidence.

2. ADHERING TO THE PRINCIPLE THAT ALL MEN ARE EQUAL BEFORE THE LAW AND SAFEGUARDING THE AUTHORITY AND DIGNITY OF THE LAW IS AN IMPORTANT EXPRESSION OF THE SUPERIORITY OF THE SOCIALIST SYSTEM. Our country does not recognize and does not allow any personal privilege that is overriding or beyond the restriction of the law. This is determined and demanded by the essence of the socialist system, and is also an important expression of its progressiveness and superiority. The principle that all men are equal before the law is a fundamental principle of the socialist legal system. When compared with the principles of the legal systems of all exploiting classes, there should be no doubts about its truthfulness and superiority. In feudal society, the law openly affirms the differences between the landlords and the peasants in their social strata as well as the privileges of the landlord class. This is a basic feature of the feudal legal system. In capitalist society, although it is stipulated by law that all men are equal, which is great progress in history, in a society in which "money makes the mare go," the feudal hierarchy and privileges are actually replaced by the "privilege of money." In our socialist society, the system of public ownership and distribution according to work is implemented. This is a great transformation of epoch-making significance. Equality in the economic field naturally requires equality in the political and legal fields. This is a distinct symbol to show that our system is superior to all other old systems. If in our society we allow or give tacit consent to privileges overriding or beyond the restriction of the law, the

superiority of our system will be seriously damaged and the broad masses of people will have various confused understandings of our social system. They may even find it difficult to draw a demarcation line between old and new systems. Under the socialist system, the equality of the citizens in exercising their rights and performing their duties is an important political condition for uniting the whole people to carry out socialist construction, and an endless source of strength to mobilize the initiative of hundreds of millions of masses in building socialism. If in our society we allow some privileged citizens to remain free from the restriction of laws, it will be more difficult to raise the socialist consciousness of the broad masses of people, arouse their spirit of patriotism, and encourage them to foster the idea of collectivism and new moral concepts, and their enthusiasm, initiative, and creativity in building socialism will be dampened and suppressed.

3. ADHERING TO THE PRINCIPLE THAT ALL MEN ARE EQUAL BEFORE THE LAW AND SAFEGUARDING THE AUTHORITY AND DIGNITY OF THE LAW IS AN EFFECTIVE MEASURE TO STRENGTHEN THE PARTY ORGANIZATION AND THE CONTINGENT OF CADRES. Our party is the vanguard of the working class. It is always ready to serve the people wholeheartedly. The interests of the state and the people are also the interests of the party. All Communist Party members, whatever their rank, are servants of the people. They only have the duty to serve the people diligently and conscientiously and have no right to seek political and legal privileges. The Constitution and laws of our country reflect the interests and desire of our people and unify the party's propositions and the people's will. Whether a Communist Party member can set an example in observing laws and be strictly bound by them is a yardstick of his party spirit. At present, a handful of party cadres who performed some meritorious service in the past and have power in hand does not have law and discipline in their eyes. They do whatever they like and even brazenly shield relatives who have committed crimes. This is in reality serious sabotage of our party's prestige. Some comrades may hold that since one performed some meritorious service in the past, once he or his relatives have committed crimes, the punishment for them may be mitigated or annulled. In our opinion, these ideas and propositions are harmful. To devote one's all selflessly to the people is the duty of a Communist Party member. Using past contributions to replace current crimes is a feudalist practice that runs counter to the party's nature and purpose. It can never play any positive role in party building and in strengthening the rank of cadres but can only encourage some people who rest on their laurels to do evils or even to commit crimes and violate laws. At present, we are further carrying out activities to crack down on serious criminal offenses and economic crimes. In handling concrete cases, especially major and serious cases, only when we adhere to the principle that all men are equal before the law and handle the cases impartially, showing no mercy to those who violate the criminal law, whatever their rank and whoever their relatives, can we give full play to the power of our legal system and can we achieve greater successes in straightening out the party style and social mood.

4. ADHERING TO THE PRINCIPLE THAT ALL MEN ARE EQUAL BEFORE THE LAW AND SAFEGUARDING THE AUTHORITY AND DIGNITY OF THE LAW IS AN IMPORTANT GUARANTEE

FOR REALIZING LONG-TERM STABILITY AND TRANQUILITY IN OUR COUNTRY. The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" clearly points out that the imperfect democratic and legal system was an important condition for the occurrence and development of the "Great Cultural Revolution." This is entirely correct. The main reason for the imperfect democratic and legal system was that the law did not have lofty dignity. It is true that during the 10 years of internal disorder, we did not have a series of relatively perfect laws and in many spheres of work we did not have laws by which to abide or regulations with which to act in accordance, which provided Lin Biao, Jiang Qing, and other bad people, who had the power of our party and state in hand, with opportunities to do evils without scruple; however, the most fundamental problem was that our laws did not have the least authority at that time. Our Constitution and laws were unable to stop the leaders from erroneously launching and developing the "Great Cultural Revolution" or to stop the criminal activities of the Lin Biao and Jiang Qing counterrevolutionary clique. Therefore, in order to prevent a repeat of the historical tragedy like the "Great Cultural Revolution" and ensure that there will be no great disorder but long-term stability and tranquility in our country, we must make our party and government leaders at all levels act in strict accordance with the Constitution and laws and must never allow anyone privilege overriding the law or beyond the restriction of the law.

In order to adhere to the principle that all men are equal before the law and to safeguard the authority and dignity of the law, we will certainly encounter various obstacles. Thus, we need to make conscientious efforts in various respects.

/1. We must give full play to the functions of the judicial organs./ All men are equal before the law is a principle clearly stipulated by the Constitution and the law. To act in strict accordance with this principle is the duty of the judicial organs, as entrusted by the Constitution. It is also their right to do so, as entrusted by the people. If the judicial organs do not act in accordance with this principle it would mean dereliction of duty and violation of the law. In practicing this principle, the judicial organs must resolutely resist interference from whatever quarter. If they cannot withstand all kinds of pressure, they will prove themselves unworthy of the trust the people have placed in them. At the same time, all organizations and individuals should respect and support the judicial organs in exercising their powers; they have no right to replace the judicial organs in the exercise of those powers, nor do they have any right to interfere illegally in the judicial organs' independent exercise of their powers. It is necessary to adopt various concrete measures to establish and safeguard the authority of the judicial organs. The political position of judicial organs and their working personnel should be raised to the due level. The state power organs and party organizations at all levels, various democratic parties and social organizations, and all citizens have the right to supervise the activities of the judicial organs, to see whether they are implementing the principle that all men are equal before the law. Judicial cadres who take bribes and bend the law should be checked and severely punished according to law. It is necessary to adopt various measures to improve the political and professional quality of the judicial workers. They should be honest and upright and should handle cases impartially. History will eventually make a correct appraisal of all those upright, selfless, and honorable people.

/2. The party organizations at all levels must effectively strengthen leadership over the work to perfect the legal system so as to resolutely safeguard the authority and dignity of the law./ Our party is a party in power. Whether it can take the lead in enforcing and observing the law and can act in accordance with the law is of great significance to safeguarding the authority and dignity of the law. Party organizations at all levels must practice the extremely important principle stipulated in the party Constitution that "the party must operate within the framework of party rules and of the law," and cannot draw up and push any resolution, regulation, or instruction that conflicts with party rules and the law. Party organizations in certain places are still unaccustomed to acting according to the law; they have unconsciously done things that violate the law and the Constitution, and this has had a serious effect on the effort to strengthen people's concept of the legal system inside and outside the party and on our work to put the country's legal system on a sound basis. This situation should be changed. The political and judicial organs at all levels must accept party leadership. However, this leadership refers mainly to leadership by means of policy and principle and political and ideological leadership, rather than interference in the judicial organs' exercise of their powers or replacing the judicial organs in the exercise of those powers. At present, in some places, certain party secretaries can personally decide the measurement of penalty for certain criminal cases or even negate the court's judgment. This is a violation of the Constitution. In some other places, certain party organizations and enterprises and institutions under their leadership can refuse to carry out the court's rulings on certain economic cases. This is also violation of the law. Party organizations at all levels must carry out struggles against all kinds of illegal interference in the procuratorates' and courts' exercise of power. If such interference is conducted by party members, they should be dealt with seriously. Party organizations should award and promote judicial cadres who adhere to principle and enforce the law strictly and who are honest and upright, criticize and educate those who regard personal relations more important than principles, and conscientiously investigate and handle cases involving those who take bribes and bend the law and those who engage in malpractices for selfish ends. There are chiefly two aspects of party leadership in the building of China's socialist legal system: To grasp the drafting of laws and to grasp the enforcement of the law. At present, the main problem in the building of China's legal system is that laws are not strictly enforced and observed. The key to ensuring that laws are effectively enforced is to adhere to the principle that all men are equal before the law and to safeguard the authority and dignity of the law. If our party organizations at various levels firmly grasp this key link and adopt powerful measures on a clear-cut and firm stand, our effort to build the legal system will be full of hope.

/3. It is necessary to establish and perfect the system of supervision over the enforcement of the law./ In accordance with the provisions of China's Constitution, the state power organs at all levels have the right to supervise all judicial and administrative organs in strictly enforcing the law. Party organizations at all levels, the CPPCC, the democratic parties, social groups, and the whole body of the citizens also enjoy the right to supervise the state organs in strictly enforcing the law. The people's procuratorates at all levels are the state's special law supervision organs, but their work must also accept supervision by other organizations and the citizens.
There are two aspects of the content and significance of the legal supervision of the judicial organs in strictly enforcing the law: First, to supervise the judicial organs and their cadres, to see whether they are acting in strict accordance with the law and whether they have violated laws and discipline, such as by taking advantage of their power to seek private gain, bending the law for selfish purposes, and obtaining confessions by compulsion and giving them credence; and second, to supervise other organizations and individuals, to see whether they have illegally interfered in the judicial organs' independent exercise of their powers or have exerted illegal influence on their work. The supervision in these two respects is also a powerful support for the judicial organs in strictly enforcing the law. The people's congresses at all levels should regard upholding the principle of equality before the law and safeguarding the authority and dignity of the law as an important task and frequently show concern for and discuss this problem. Their standing committees must do a more outstanding job in this respect. The people's delegates must faithfully represent the people's interests and reflect their wishes and demands. They must dare to speak out from a sense of justice. The CPPCC, the democratic parties, the trade unions, women's federations, and CYL organizations should and certainly can play an important role in this respect.
In our society, the people are the masters of their country, and masters of the law as well. Article 41 of China's Constitution stipulates that Chinese citizens "have the right to criticize and make suggestions to any state organ or functionary. They have the right to make to relevant state organs complaints and charges against, or exposures of, violation of the law or dereliction of duty by any state organ or functionary." In our country, it is essential to establish and perfect a highly efficient legal supervisory setup in order to supervise most effectively the implementation of the law. This setup should include supervision by the state power organs, state procuratorate organs, party organizations, CPPCC, democratic parties, trade unions, women's federations, CYL organizations, and the whole body of the citizens, and it should be made into a system and a law. At present, the system for supervising implementation of the law is not at all on a sound basis and needs constant perfection through legislation and in concrete systems.

/4. It is necessary to forcefully strengthen legal education among the broad masses of party members and cadres./ The legal system, which is inseparably linked with civilization, is an important symbol of a civilized society. Socialist civilization is an advanced stage of the development of civilization in human society. All citizens of our civilized society should possess the concepts of democracy and legal system. At present, nationwide education is being carried out to popularize common legal knowledge. This should also include legal education for party and government cadres. In the propaganda of and education in the legal system it is necessary to integrate theory with practice and combine lectures on various legal terms and theories with analysis of concrete cases, so that the broad masses of people, and particularly party and government cadres, may draw lessons from the cases of some criminal offenders who regard themselves as special citizens and disregard law and discipline and who have thus committed crimes and violated the law, and so that they may realize through the trial of certain cases by the judicial organs the determination of our party and state in resolutely upholding the principle of equality before the law and safeguarding the authority and dignity of the law.

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INTRODUCE SCIENCE AND TECHNOLOGY TO THE VAST RURAL AREAS

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[Article by Hebei Provincial Scientific and Technological Committee]

[Text] In 1981, the party Central Committee and State Council set down a policy of establishing scientific and technological development key points in order to serve economic construction. In 1985, the "spark plan" by which the State Scientific and Technological Commission would organize and implement services for developing the rural economy was approved. This year, the Central Committee's Document No 1 also points out: "Science and technology must serve the rural economy. Development of the rural economy must rely on science and technology." This is a major policy in developing our nation's science and technology and has both great current significance and great long-range historical significance. These last few years, under the guidance of the science and technology development policies, we have done some work and realized initial achievements. In practice, we have realized that the scientific and technological development policies and the "spark plan" fully accord with our province's actual situation. Seriously implementing them and carrying them out will inevitably speed the economic development of the rural areas.

Earnestly Changing the Guiding Ideas in Scientific and Technology Work

In the new period when the rural economy is undergoing great changes, we have come to understand that only if local scientific and technological management departments realize appropriate changes in guiding ideology and in work forms will it be possible to accord with the demands of the new situation.

Prior to 1981, we continually probed the avenues by which science and technology could serve the rural economy, organized several agricultural scientific research activities, and realized some achievements. However, in general, our outlook was rather narrow and the guiding ideas for serving the development of the rural economy were not clear. This was mainly manifested in: 1) We sought things that were "high-grade, precise, and advanced," and thus science and production were divorced from each other. 2) We stressed scientific research and paid little attention to propagation, and thus scientific research and propagation were divorced from each other. 3) The "small-scale agriculture" idea. We only kept revolving around planting industries and a little animal raising, and paid insufficient attention to rural and township enterprises, diversified operations, and overall development.

Over the last few years, the output-related system of contracted responsibility has been generally implemented, and this has greatly stimulated the enthusiasm of the vast numbers of peasants for developing production. In the past the state provided subsidies and materials to try to propagate new technology, but was unsuccessful in this. Now, peasants spontaneously spend their own money and go to other areas to seek technology. This new situation shows us that if we want to continue developing the rural economy, we can no longer rely on the guiding ideology and work forms of the past. The peasants are hungry for science and technology and the vast number of science and technology workers have plenty of scope for their talents in the rural areas. One of the keys to developing the rural economy is conveying technology to the rural areas. Our scientific and technology management departments must adjust to the situation and the demands of the masses, widen their field of vision, make promotion of the rural economy the key point in their work, and use science and technology to arm the peasants.

In the last few years, we have gradually explored and mastered the patterns of scientific and technology work, summed up the overall experiences and lessons of actual work, and raised the spontaneity in respect of developing rural economic service. From 1978 to 1979, we invested over 300,000 yuan in the Yangguzhuang commune in Yixian County, Taihangshan Prefecture on scientific experiments in handling mountains, rivers, farmland, forests, and roads in a comprehensive way, with water and soil conservation as the center. In terms of the long-term goals of handling mountain areas, this was very necessary. However, at that time, many of the masses still had problems in terms of food and clothing and thus it was difficult to implement these plans. Later, we again organized an investigation of natural, economic, and social factors and, through technological proof, came to feel that in the overall handling of mountain areas, we should first proceed from helping the mountain areas to shake off poverty and become prosperous. On this basis, we worked out new scientific and technological plans and determined that the focal point be shifted to the transfer of appropriate technology to the rural areas. Since 1982, in terms of the contents of scientific and technological assistance to the rural areas, we have established a concept of large-scale agriculture and promoting the overall progress of the rural areas. In terms of the channels of scientific and technological assistance, we have changed the method whereby the state handles everything, and established an open, enlivened concept in which the whole society engages in science and technology. We have also established a multi-level, multi-form and multi-category system of scientific and technological service involving counties, townships, villages, and households. In terms of the forms of scientific and technological assistance, we have changed the method of arranging individual technological projects in an isolated and dispersed way. In its place, we have established a concept of technological coordination, serial development, and comprehensive regional development. We have implemented a process of scientific research, demonstration, propagation, processing, and sales, and linked together the development, import, and diffusion of appropriate advanced technology.

Some of our comrades felt that our level was too low to do scientific research of this type and that we would find it very difficult to achieve reasonable results. Since 1983, in Heilonggang, we have organized the tackling of key scientific and technological problems in accordance with the research results produced in practice, and realized 39 results. Since these results were propagated, the prefecture's income has increased by 330 million yuan. Last year, per capita income was 350 yuan, five times the figure for 1982. The per-unit yield of crops, compared with average yields for the 3 years prior to the development, increased by 50-130 percent. Facts have shown that engaging in scientific research in this way is absolutely necessary. Not only can considerable economic results be achieved, but in the process, the scientific research level can be raised.

Seriously Grasping Well Several Links

Practice over the last few years has told us that after establishing a guiding ideology of supplying scientific and technological support to the rural areas, the scientific and technology committee should grasp well several important links as only thus will it be possible to promote the overall development of the rural economy.

1. They must formulate overall plans and grasp well the technological development of key regions. In having science and technology serve the rural economy, much work needs to be done. Practical and feasible plans must be formulated in terms of what technology is needed in what areas, on what scale it should be applied, the precedence of the various areas, and the importance and urgency of projects in various areas. Thus, we developed discussion in scientific and technological development strategies and on this basis formulated overall plans. At the same time as paying attention to scientific and technological progress in the plains, Taihangshan, Yanshan, Binhai, Bashang, and Heilonggang regions have been stipulated as focal comprehensive technological development regions. The Taihangshan region has been chosen as the major one of these. These five large regions cover 85 percent of the province and they contain 58 percent of the province's population. They are rich in biological and mineral resources, but short on skilled personnel. Education is backward and the masses' standard of living is very low but there are strong aspirations to throw off poverty and become prosperous. The key to whether rural economic development in these regions is fast or slow lies in the overall situation of the province's economic development, and this holds a decisive position both economically and politically. It is precisely as Comrade Hu Yaobang pointed out when he came to our province to carry out an investigation: "If Hebei is to bring about an upswing, it will most likely have to depend on Taihangshan. If the appearance of Taihangshan is not changed, the ecological environment will not be changed and Hebei will not be able to become prosperous." With the support of the State Scientific and

Technological Commission and the leadership of the provincial party committee and provincial government, we organized 155 tertiary institutions and scientific research units both within and outside the province and close to 3,000 scientific and technological personnel in relevant regions, cities, and counties into a technological system that combines scientific research demonstration, propagation, service, and operations. We have also arranged the coordinated serial development of applied technology and comprehensively utilized many types of resources. In the last few years, we have realized 112 results at the provincial level and above, gained economic benefits of over 800 million yuan, and strongly promoted the economic development of these regions.

2. They must strongly support township and town enterprises and speed the transformation of the agricultural structure. The township and town enterprises of our province have seen quite swift development. Last year, their total output reached 16 billion yuan, 27 percent of the province's total industrial and agricultural output. They have become an important force which cannot be overlooked in rural economic development. They are deeply changing the rural economic structure and providing wide avenues for making arrangements for the excess labor force in the rural areas. In the expanding rural economy, they are playing an increasingly important role in increasing the peasants' income and in the establishment of new towns. However, in the process of the development of our province's township and town enterprises, there have widely existed the problems of lack of talented personnel, backward management, outdated equipment, environmental pollution, and some products of poor quality. These problems pressingly require resolution. Particularly in a situation in which larger and medium-size enterprises are being gradually enlivened, if these problems are not resolved, these township and town enterprises may lose their competitiveness and wither. Some may even not be able to continue. The "spark plan" organized and implemented by the State Scientific and Technological Commission has as its goal the improved linking of scientific and technical work with the economy and raising the scientific and technological level of township and town enterprises and rural construction so as to make a contribution to the speedy invigoration of the rural economy. It is precisely as a leading Central Committee comrade has pointed out: "The transformation of the agricultural structure cannot be carried out without developing township and town enterprises, and there are no prospects for developing township and town enterprises without reliance on science and technology. Only when the two are combined will it be possible to accord with the new road of China's national conditions."

In the last 2 years, we have led the scientific and technological committees at various levels in supplying the township and town enterprises with skilled personnel, appropriate advanced technology, technological information, and scientific management methods. This has been seen by the peasants as "the sending of timely rain." In 1984, we organized scientific research units and tertiary institutes to assist township and town enterprises in developing over 300 key products and supported the formation of over 100 mainstay enterprises. In 1985, we selected six counties in different areas and with different conditions as township and town enterprise technological development counties. In work, we provided key guidance, and in finance, we adopted the method of matching funds. We arranged scientific and technological projects that required a shorter period for implementation, were cheap, and saw quick results, and developed them in a connected chain as a demonstration model.

In order to more widely introduce science and technology to township and town enterprises and to continually strengthen technological transformation and technological progress, this year we have implemented the following arrangements: We have developed 10 types of technological equipment for general application in township and town enterprises, which has created large-batch production and effectively raised labor productivity and product quality; established 30 model township and town enterprises which have advanced technology, high levels of labor productivity, product quality and management, and strong radiating power; established 20 base points, which involve a chain of high yields, processing, and sales and which have superior resources as their base, within the commodity production bases decided upon by the provincial government; trained graduates from upper middle-school and management cadres. These people were required to study one or two aspects of advanced applied technology or relevant management knowledge and they became technological and management backbone forces.

3. They should widely develop rural technology markets and speed the pace at which technological results are used in commodities. In many villages, because communications are not developed and information not easily available, it is difficult to introduce science and technology. In order to promote the large-scale diffusion and transfer of technology, skilled personnel, and information to the rural areas, we have started rural technology markets, widely developed technology trade activities, and speeded the process by which technological results are used in making commodities. Now, the coverage of the technology markets extends to two-thirds of all villages in the province. Since 1984, the province has held over 4,000 technology trade fairs, which have provided to the villages and township and town enterprises over 10,000 technological results, provided employment to over 30,000 technicians of various types, and drawn in over 600 million yuan of funds. Just through the use of imported technological results, an additional 1.5 billion yuan of economic income was created.

In the thriving development of the rural technology markets, a few problems worthy of attention have appeared. The major of these are that management work has not caught up, that technology markets lack a tightly knit relationship, and the phenomena of paying great attention to sales and little attention to clinching deals and paying great attention to transfer but little attention to service have appeared. In facing these problems, we are preparing to establish a cooperative structure composed of many departments, formulating coordinated policies and regulations, facilitating information flow, and coordinating work on all sides. We have established specialized organs responsible for the examination, approval, and registration of the various types of technological trade organs, and for the registration and arbitration of contracts involving technology trade activities. We have also further clarified the guiding ideology in technology trade work, developed work by centering on the implementation of the "spark plan," placed the point of stress on the requirements of the purchasing side, and continually raised the real effectiveness of the technology trade fairs in serving the rural economy.

4. They must do well in training skilled personnel so as to strengthen the rural scientific and technological contingents. In the last few years, we have adopted four main forms in training skilled technical personnel for the rural areas: 1) Using scientific and technological items or topics as the center, we have organized the scientific and technological personnel of tertiary institutes and scientific research units to go deep into the villages and at the same time as they carry out scientific research and technological development, they will impart their technological knowledge. 2) We have organized technical service contingents which on the one hand provide service and on the other hand train rural technicians. 3) We have organized technological explanation and publicity groups to train and establish rural technological contingents. 4) We have established specialized technical schools and started specialized technical classes. Apart from these measures, we have arranged short-term courses, technical night schools, broadcast lectures, and other forms to spread technical knowledge. In the last 5 years, the province has trained 3 million personnel in various specialities in the rural areas. Many of these are technological demonstration households, specialized households, graduates of township upper and lower middle schools, and backbone forces in the township and town enterprises, and this has strengthened the rural scientific and technological contingents.

Strengthening Guidance, Making Overall Arrangements

We must further strengthen macroeconomic guidance and microeconomic service, make overall arrangements, and pay attention to handling well the relationships between the relevant aspects.

1. Strengthening investigative research, improving work methods, and mastering leadership initiative. In the last 2 years, through conducting investigations deep at the grass-roots level, developing information feedback, and making overall scientific and technological methods, we have strengthened investigative research work. Frequently, one-third of the cadres of organs above the departmental level spent 3 months a year going deep into the basic levels. Last year in spring there were some scientific research organs in which, because they were unclear about policy limits, the reform of the scientific and technological systems was affected. In a timely way, we carried out a model investigation and formulated four measures. These on the one hand opposed the unhealthy tendencies and on the other hand guaranteed the healthy carrying out of the reforms. In an investigation of the development situation of scientific research-production combinations throughout the province, it was discovered that some scientific research units had provided to enterprises technology that was not ready for use. Also in order to retain more funds and distribute less, some enterprises did not provide details of their true situation to the scientific

research units, and this affected the consolidation and development of the combinations. In order to resolve these questions, we convened a discussion meeting with scientific research units, enterprises, and prefectural and county scientific and technological committees participating. This produced "Ideas on Greatly Developing Scientific Research-Production Combinations," which was distributed throughout the province as a guidance document. In addition, on the basis of different areas and different work types, we determined to stress linking 15 counties with 20 scientific and technological demonstration villages and 100 scientific and technological households. We successively summed up the model experiences of Jixian County in drawing in technology and personnel to develop key products, the model experiences of Baxian County in relying on science and technology to develop township and town enterprises and the model experiences of Funing and Qingxian Counties and Zhengding village in reforming the scientific and technological structure, and promoted the development of the whole province's scientific and technology work.

2. Combining the reform of the scientific and technological structure with developing the rural economy. Reforming and perfecting the scientific and technological structure is an aim identical with that of supplying effective scientific and technological service to the villages. The avenues for achieving these aims are also identical. They are both for liberating the productive forces, fully motivating the enthusiasm of the scientific and technological personnel, and developing the rural economy. Since 1982, we have broken through the closed-off situation where there was uniform "officially administered" science and technology. We have implemented a system in which the state, collectives, and individuals advance together and have organized the strengths of the whole society to engage in science and technology. We have used economic measures, implemented technical responsibility systems, and developed compensated technical service. We have changed unified service and sent technology, skilled personnel, and information down to the villages, and accorded with the many demands of rural economic development. During the reform of the scientific and technical structure in Zhengding County, the county scientific and technological committee established a rural technology development center and the various relevant bureaus established specialized service centers or companies, which engaged in technological development, propagation, and consultancy. Townships have established agricultural technology comprehensive service companies mainly in order to spread new technology but at the same time to supply fine seeds, pesticides, and other materials. Villages have established various types of specialized technological service teams and stations to train and improve science and technology demonstration households and support and assist the various technological development service activities run by households or by joint households. The province has initially established a service system comprising counties, townships, villages, and households and this has played a great role in developing rural commodity production.

3. Paying attention to both the development of the "short-cheap-fast" technology urgently needed by the rural areas and long-range development. In implementing the "spark plan," it is now extremely important that we

first arrange "short-cheap-fast" technology projects to help the peasants shake off poverty and become prosperous and to speed the economic development of the rural areas. At the same time, we must avoid activities of a "small, indigenous, and mass nature" or do things "like a swarm of bees." We must pay attention to long-term economic and social benefits and rationally arrange the depth and deployment of scientific research, so as to guarantee a reserve strength for the development of the rural economy and science and technology. On the basis of the resource superiorities and market situation in the Taihangshan region, the growing of fruit and small-scale animal raising by families was selected as the breakthrough point for technological development. Also, a strategy was adopted whereby development was combined with tackling current problems, shaking off poverty was combined with becoming prosperous, and short-term policies were combined with long-term policies. After a certain economic strength and technological power is obtained, research projects such as the comprehensive handling of small valleys shall be gradually increased and present and long-term development needs will be combined. In agricultural science research, we have centralized a certain amount of scientific and technological personnel and funds, and organized agricultural crop breeding, the selection and breeding of new animal strains, the investigation of agricultural divisions, and environmental protection. Also, research has been conducted into the application in the agricultural field of microcomputers, biological engineering, and other new technologies. We are preparing to strengthen, over a quite long period, the use of scientific and technological measures in agriculture, so as to gradually raise the level of agricultural modernization.

4. Doing well in organizing coordination and combining many departments and many industries in order to make a contribution to the development of the rural economy. Doing well in rural scientific and technological work is the unshirkable duty of scientific and technological committees. It is also work that is extremely closely related with planning, economics, education, finance, taxation, banking, and goods and materials. We have paid attention to doing well in cooperative work, coordinating the division of work, and making joint efforts. In arranging the carrying out of developmental research in Taihangshan, we linked 8 forestry and animal husbandry, finance and trade, supply and sales, and education bureaus and units that are directly under the province with over 700 scientists and technicians, over 1,000 peasant technicians, and over 34,000 science and technology demonstration households from the tertiary institutes, scientific research units, and the prefectures and counties that have directly participated in experimental base work. When experimental bases were established in particular areas, the communications departments put highways through to those areas. Also, the supply, sales, and foreign trade departments have actively opened purchase and sales avenues, provided production materials, and an active situation of all acting in coordination has appeared. At the same time as depending fully on the province's scientific and technological personnel, we have mobilized the relevant economic departments and units and actively made use of scientific and technological strengths outside the province, especially those of Beijing, Tianjin, and of the military industries, to support those areas in which our province lacks relevant scientific and technical personnel.

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DO A GOOD JOB OF COMPREHENSIVE REFORM IN EDUCATION

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[Article by Liu Daoyu [0491 6670 3768]]

[Text] In the last few years, under the guidance of the Central Committee's general principles on reform, Wuhan University has done beneficial work in raising the quality of education, improving educational methods, renewing the contents of education, readjusting the structure of specialities and so on. Following the deepening of educational reforms, some new problems have appeared and some new contradictions have been produced. We feel that only if there is the guidance of materialist dialectics will we be able to correctly handle the various relationships and guarantee the success of these reforms.

Persist in Overall Moral, Intellectual and Physical Development; Train Skilled Personnel Who Are Both Red and Expert

Persisting in ensuring that those being educated see overall development, morally, intellectually and physically is a basic demand for training skilled personnel in our nation's period of socialist construction. We are engaging in educational reform in order to implement in a better and overall way, the educational principles and to realize the training goals of education. In improving the quality of education, we need to put efforts into moral, intellectual, and physical education. The skilled personnel needed to build socialist material and spiritual civilization must undoubtedly have a fairly high level of scientific and cultural knowledge. However, if they only have scientific and cultural knowledge and do not have a firm and correct political direction, they will not be up to standard. Thus, tertiary educational reform should include the improvement and strengthening of ideological and political work as one of the major components.

I feel that we should pay attention to the historical conditions in which this generation of young people has grown up, as this is an important basis for ideological and political work. This generation of young people has grown up in a period when our party has been correcting the mistakes created by many years of "leftist" guiding ideology, and on the political, ideological and theoretical levels has carried out a series of actions by which order is being brought out of chaos. In this process, prople have thought deeply about the former theoretical understandings and courses of practice. Some things which were originally said to be Marxist ideas and methods have been negated, while other things which were originally considered incorrect ideas and methods have been shown by practice to be correct. Also, some ideas and methods which were correct in historical times no longer accord with the current situation. Youthful students without doubt ponder these questions which relate to the state and national destiny. At present, capitalism is seeing relatively peaceful development, while the economic development levels of socialist countries have not yet surpassed those of the developed capitalist countries. In this situation, how we are to use basic Marxist views to survey the general process of world historical development is a question which everybody, including young students, must resolve. At the same time, in the situation of opening up to the outside world, how we are to handle those Western academic ideas which flow into the country following the import of advanced technologies and scientific management experiences is also a real question which cannot be easily dodged. Our nation is carrying out overall reforms. The new situations and new questions which are appearing in the reforms will inevitably give rise to all types of ideological contradictions. These contradictions are also manifested among the students. Thus, the ideas of contemporary youthful students are unprecedentedly vigorous. This is a good thing, not a bad thing. Our ideological and political work must, in this situation, fully bring into play this vigor and bring into play its great role in education.

In reforming and strengthening ideological and political work in tertiary institutions, one of the most important links is reforming Marxist theoretical education. University students are no longer children. They strive to summarize very many questions on the theoretical level. If we do not lay down a solid Marxist theoretical base, and we respond to some pressing problems in a way which treats the symptoms but not the disease, then ideological and political work will not have an overall effectiveness. The crux of reforming Marxist theoretical courses is linking theory with practice. Objective reality is continually developing and thus our course contents must change in the wake of changes in the actual situation. Political economics does not answer the questions modern students have about capitalism, and does not answer the questions put forward by socialist economic reform. Thus, it does not attract the students. If philosophy does not incorporate or provide a summary of the recent results in natural sciences in the 20th century, and we just let some bourgeois sociologists and futurists use these results to disseminate historical idealist theories, then it will be very difficult to convince students on a number of basic questions. Of course, linking up with practice does not mean explaining all theoretical subjects as simple matters. Rather, in the process of narrating systematic theoretical knowledge, through the concrete dissection of actual problems, the students will gradually come to learn how to use a Marxist stand, viewpoint and methods in analyzing and resolving problems. In educational methods, we must also change the former method of pure inculcation and replace it with a lively, vibrant form. Our school's Marxist theory classes have already begun some reform experiments in these areas.

As to regular ideological and political work, the most important thing is that we should gradually sum up a set of explanation methods. Today's ideological and political work can no longer, as was done in the past, rely on political movements, mass criticism and forced submission and other such methods which have been shown by practice to be mistaken. We have come to realize that in combining positive education and contrastive education, we should stress positive education, that in combining commendation and criticism, we should stress commendation, and that in combining self-study and school-managed study, we should stress having students self-study. On ideological questions, we can only persuade, we cannot force submission. We must adopt the method of convincing people by reasoning. We must firmly believe that Marxist truths can convince people and firmly believe that the vast majority of problems are problems of understanding. In this way, we will not be rash in any situation. Of course, in another respect, we must be strict in our demands and serious in providing solutions. We must persist in the method of using different keys to open different locks, and as people differ, we must treat them differently. We must guard against acting in a uniform way. Otherwise, we will have great difficulty in achieving the appropriate results.

Ideological and political work is also systematic project. It is far from being enough to just rely on party and CYL organizations and the specialized political work cadres. We have implemented a new three-in-one ideological and political work system whereby there is a party and CYL organizations and the specialized political work cadres. We have implemented a new three-in-one ideological and political work system whereby there is a party and CYL organizational responsibility system, a teachers' responsibility system, and where students regulate and educate themselves. We have thus closely linked ideological and political work with the guidance of the students' study and their growth. Teachers who give lessons are also instructors and each instructor provides guidance to several students and is completely responsible for them. In ideological matters, they provide explanations, in study they provide guidance, in management they provide leadership, and in academic matters they provide a nurturing influence. They both teach lessons and teach people. Through teaching lessons, they teach people and help students to cultivate a scientific world view built on a firm base of a system of knowledge and theory. Through teaching people, they teach lessons. Thus, the students have a clear understanding of the aims of study, and a correct attitude to study and thus achieve the best study results.

More education and intellectual education have always had a close relationship. They both influence each other and permeate each other. Ideological and political work is a basic guarantee for successfully transferring knowledge and fostering abilities. Also, the attaining of knowledge and the development of abilities is of assistance to the raising of the ideological level and provides a base for correctly understanding things and establishing a scientific world view. Thus, in the relationship between moral education and intellectual education, we must spontaneously master the unity of the two and not set them against each other. With respect to the vast number of students, we should cherish them but not coddle them. We must master the main stream and must check erroneous ideas at the outset. Only in this way will we have fore-knowledge of ideological problems, be able to tackle problems before they mature and resolve problems as they sprout. Thus, these problems will not build up into mounds and the contradictions will not become acute. In this way, it will guarantee normal education and study life in the school. In addition, we have been diligent in starting the "second classroom" and allowed students through various avenues to receive education in communism and increase their knowledge and abilities. Through adopting these measures, we have unified the process of education with the process of teaching, unified teaching lessons with teaching people, and unified moral and intellectual education. Thereby, we have created conditions for training talented persons who are both Red and expert.

Correctly Handling the Relationship Between Transmitting Knowledge and Fostering Abilities, Placing Stress on Fostering Students' Creative Abilities

Transmitting knowledge and fostering abilities is a unified process. There is a relationship, but also differences, between knowledge and abilities. Knowledge is the base on which abilities are formed. If there is no firm base of knowledge, it will not be possible to foster abilities (especially creativity). In another respect, abilities (especially creativity) are the means of developing new fields of knowledge. If one does not excel in abilities, it will not be possible to make discoveries or be creative.

The aim of traditional, backward education was simply the transfer of knowledge. It used the students' brains as storehouses of knowledge. Through the educational method of "cramming," it filled the storehouses with various types of knowledge. The students educated in this way only had book knowledge. If later they were not tempered through practice they would have no creativity, spirit of exploration or competitive consciousness, and would in no way be able to accord with the needs of an age when science and technology are developing so swiftly. In facing the situation of a new technological revolution in the world, and facing the questions continually put forward by our nation's economic construction, in order that education better accords with and spurs on economic and social development, while carrying out educational reform we must get rid of the bad influences of outdated traditional educational ideas and educational methods on the training of skilled personnel, and must stress especially the fostering of students' creativity.

Skilled personnel who are rich in creativity have certain special characteristics in their modes of thought, attitudes to study, styles of work and ideological qualities. As educational workers, we must master these characteristics and in the educational and teaching processes, we must consciously foster and develop these characteristics. We should not necessarily require students in their period of study to achieve creative results or become inventors. If we are to foster skilled personnel with creative abilities, then we need to carry out reform of teaching contents, teaching methods, teaching systems, student management and many other aspects. Apart from this, we feel that we should: 1) Respect science, develop democracy and create a vigorous academic atmosphere to foster students' spirit of loving deep thought and daring to create. 2) Pay attention to individuality, teach students in accordance with their attitude and allow those who can to stand out. If we are to foster skilled personnel who are rich in creativity, we cannot use unified models to educate students, but instead should pay full attention to individual differences. In this way, we can ensure that skilled persons' creativity can be developed. 3) Promote self-study and enlightened ideology. School students cannot simply rely on classroom education. Rather, while receiving classroom education, they should gradually develop the ability and the methods of self-study. 4) Strengthen practical links. The fostering of abilities, especially creative abilities, cannot be divorced from practice.

We should recognize that knowledge, abilities and creativity are manifestations, at different periods, of intellectual development. The mission of we educational workers is, in accordance with educational patterns and the patterns of intellectual development, to continually raise students' intellects to higher levels. We certainly cannot use the excuse of fostering abilities to ignore the teaching and study of knowledge. At present, there is a particular bias, which one-sidedly stresses the "explosive growth of knowledge" mistakenly believing that knowledge learned today will be outdated tomorrow and thus pays little attention to the mastery of knowledge. This view is clearly incorrect. We should recognize that at present in an age when science and technology are speedily developing, the great growth and accumulation of knowledge is an objective fact which cannot be overlooked. It is precisely because of this that, in order to accord with the needs of the times, we must strive to study and master various types of useful knowledge. Without knowledge, abilities will have no base and no source. Thus, we cannot simply cram students with knowledge and neglect the fostering of abilities. Likewise we cannot divorce ourselves from mastering a wealth of knowledge and just stress the fostering of abilities. We must correctly understand and handle the dialectical relationship between knowledge and abilities.

Modern management studies pay great attention to target management. What is referred to as target management is setting down for a person or enterprise, goals or requirements they must meet. We have put forward the idea of skilled persons who have a creativity as a general goal for the vast numbers of young people as they develop. Through arduous struggle, some people will be able to achieve this, while others will not. Being able to reach the goal is of course a good thing, while those who do not reach the goal will still have gained some motivation from seeking the goal. Thus, they will realize greater achievements than if they had not established a long-term goal. Thus, taking the fostering of skilled persons rich in creativity as a goal in our training of people will undoubtedly promote the development of skilled persons who have ideals, morality, culture, and discipline, and who are needed by the new times.

In Reforming Inappropriate Educational Systems, We Must Both Enliven Education and Establish a Strict Study Style

In order to realize the training goals and achieve the aims of education, we must establish relevant educational systems and make the effective management of education easier. However, educational systems are the products of certain types of educational ideologies. In order to get rid of the fetters of outdated traditional educational ideology and realize a change from the closed to an open model of education, we must implement flexible, diverse educational systems and correctly handle the various problems which appear in the educational process.

After the reorganization of academic departments and faculties in 1952, our nation's tertiary institutions widely implemented the "school-year system" education plan and management system. The "school-year system" is strongly planned and has advantages in terms of management and other aspects. However, it insists strongly on uniformity and, to a certain degree, ignores the intellectual differences between students. Thus it affected the development of skilled persons and the principle of effective education. From 1978, our school, on the basis of absorbing the strong points of the "school-year system" began implementing the "study-point system" and went through the stages of experiment, propagation and solid improvement. Eight years of practice has proved that there are many advantages of the study-point system: 1) It is of benefit in guiding ideology toward the development of science and modernization. Compared to the school-year system, the study-point system can reduce the education cycle, produce more skilled persons and produce them more quickly. 2) It is of benefit to the lateral relationships between courses and specialities and thus students, under the guidance of their teachers, can rationally organize their own knowledge structure. 3) It is of benefit in motivating the students' initiative, enthusiasm and creativity in study and thus their study is lively and vibrant. 4) It is of benefit in implementing the principle of teaching students in accordance with their aptitude, and overcoming the uniform educational method. This allows those students with special aptitudes to show themselves as quickly as possible. 5) Because the new elective courses have greatly increased, it is of benefit in raising the professional levels of teachers.

Of course, like other management systems, the study-point system has both good and bad points. There are both advantages and restrictions. In implementing the study-point system we have, on the basis of retaining the benefits and doing away with the problems, and of stressing the strong points and eliminating the weak points, paid attention to resolving some of the contradictions. The first of the problems is blindly seeking study-points. A small number of students, in order to complete their study-points quickly and graduate early, only seek study-points and do not seek to do well in their subjects. They seek quantity rather than excellence. In this respect, we have adopted an achievement/study-point system which records both achievements and study points, thus unifying the amount and quality of study. At the same time, we have also set down strict conditions by which people can graduate early. This has played a restricting role in terms of the blind seeking of study-points. The second problem is that of selecting courses. Some students select a large number of courses which results in a heavy load on them. Other students are not strongly enterprising and are not anxious to select courses, while still other students are not happy with the speciality they are studying and wish to change their speciality through elective courses. In order to resolve these problems, we have set down a ratio between assigned elective courses and free-choice elective courses, set down a standard for total study-points in elective courses each week and set down requirements for a rational and coherent selection of elective study-points between departments. Through these measures, we have been able to bring into play the flexibility of the study-point system and also guarantee that students obtain a good base. The third problem was the relationship between self-study and attending classes. After implementing the study-point system, some students adopted the self-study method, and in their study format, times and places they have had a certain degree of freedom. In order to guarantee the smooth carrying out of classroom education, and at the same time in order to safeguard normal educational order and guard against the appearance of laxness and indiscipline in study, we have strongly proposed the study style of "being diligent and hardworking, rigorous in scholarship and brave in blazing new trails." We have also adopted some appropriate measures, for example stipulating that students cannot arbitrarily miss classes, and strengthening education in study discipline. Thus, to different degrees, students have all been able to proceed from their own actual situation and adopt the study form which they considered effective and all have thus found their place.

Implementing the study-point system has been beneficial to enlivening education. However, in enlivening education, we cannot rely just on this system. At the same time, we have trial-implemented the major-minor study system, the double-degree system and a system whereby students can join in the middle of a course. We have set up university students' spare-time scientific research funds and commemorative scholarships and allowed a small number of students with special interests and obvious abilities to change departments or change specialities, to encourage outstanding students to stand out. Seen from several years of experience, the implementation of these systems and measures has played a great role in enlivening education, encouraging students to go on with their studies and fostering students' creative abilities. Of course, when implementing the major-minor system, we have had to pay attention to differentiating the majors and the minors, so as to guarantee a solid base for the major specialities. In implementing the system where students can join in the middle of a course, we have had to do serious investigation and guarantee quality so as to not bring disorder to the study atmosphere. In allowing a small number of students to change specialities, we have had to differentiate between students with special interests and those who do not have firm ideas on their speciality. This guards against having people wanting to change specialities just because they see something different. When proposing that university students carry out spare-time scientific research, we have had to guarantee a good base to guard against spare-time scientific research obstructing or affecting normal studies.

In brief, the process of educational reform is a process full of contradictions. When resolving these contradictions, while it is necessary to grasp the major contradiction, we cannot overlook the minor contradictions. Only in this way can we ensure that the contradictions continually change in a direction beneficial to education, and only thus can we take the whole situation into account, carry out comprehensive reforms and realize overall administration. Thus, we education workers must be diligent in studying Marxism-Leninism-Mao Zedong Thought, voluntarily master materialist dialectics and completely and correctly understand the spirit of the Central Committee on educational reform. This will provide important guarantees for obtaining success in educational reforms.

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GAIN AN AMPLE UNDERSTANDING OF THE STRICT DEMANDS SET ON ENTERPRISES BY THE NEW REFORM SITUATION

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[Article by Xie Minggan [6200 2494 1626]]

[Text] In recent years, the reform of the economic structure of the cities and towns in our country, closely revolving around the theme of invigorating the vitality of the enterprises as the central task and gradually extending to production, circulation and distribution, and other sectors, has taken rather big strides forward and achieved a big and important development. On the one hand, it has improved the relationship between the state and the enterprises and that between the enterprise and the staff members and workers, and strengthened the enterprises' vitality and innate mobility, enabling the enterprises to gradually effect the changeover to being socialist commodity producers and entrepreneurs who operate autonomously and are solely responsible for their own profits and losses; and, on the other hand, it has strengthened and improved the socialist macroeconomic management system, and has comprehensively utilized economic measures, legal measures, and the necessary administrative measures to guide, adjust, control and supervise the operations of the enterprises and the various social activities so that they conform with the socialist direction, and the demands of the state's development strategies, plans and policies. After the reform of these several years, the vitality of the national economy has become increasingly augmented and, at the same time, the situation facing the enterprises has become increasingly serious and pressing and the demands on the enterprises have become increasingly strict. This is mainly manifested as follows:

First, it is necessary to readjust the overly low planned prices of the means of production such as energy and raw materials and transportation charges and to gradually raise the overly low level of the salaries and wages of the staff members and workers, which will raise the cost of production of the enterprises. This will require the enterprises to strive to raise their own quality level. For a long time, in carrying out production, our industrial enterprises have principally been relying on cheap energy and raw materials, low-priced agricultural and sideline products, cheap transportation and a relatively low level of salaries and wages for the staff members and workers. The profits earned by the enterprises have mainly been transferred from the prices created by the energy and raw materials sectors, from the exchange at unequal prices of agricultural and sideline products, and from lowering the consumption needs of the masses. Only a relatively small portion has been derived from truly raising the labor productivity rate, lowering the consumption of energy and raw materials, and lowering various kinds of management expenses. This kind of historically formed irrational phenomena has covered up the backward state of enterprise management and technology and enabled the enterprises to earn rather large profits without exerting much effort; it has also restricted the renovation, transformation and development of such weak departments as the energy and raw materials industries and the transportation and communications trades, also hampering the rationalization of the economic structure and the comprehensive utilization of resources. The existing system of two prices for the means of production has raised the enterprises' enthusiasm for increasing the production of shortline products but has also objectively offered an opportunity to certain people to carry out the illegal activities of violating the state plan and of speculation. Last year, following liberalization of the prices of agricultural and sideline products, the overly low prices or charges for means of production such as energy and raw materials and of communications and transport were readjusted, enabling planned prices and market prices to come closer to each other as well as to gradually approach the level of prices in international markets. This has thus become the major task and content of the price reform. At the same time, following the development of production and improvement of the economic benefits, the standard of living and welfare benefits of the staff members and workers will be continuously improved and the outlay for the salaries and wages of the staff members and workers will gradually increase. This will bring about an upward trend in the cost of production of the enterprises' products. The enterprises will find it increasingly difficult to get by just continuing to rely on antiquated operation and management methods, or to rely on backward technology and equipment, or to rely on the "four lows." If the enterprises do not greatly lower the consumption rate of materials and raise the labor productivity rate and do not vigorously develop new products and open up new markets both within the country and abroad, the inevitable trend will be a rise in the cost of production, a drop in sales, reduced profits, and even losses and deficits, leading to a passive state.

Second, the supply and demand relations in the domestic markets have been continuously changing. The demands of the end-users of commodities regarding the quality, function, design and variety of products have been steadily climbing to higher planes and the customers increasingly prefer to use products of their own choice. In the past, there was a acute lack of commodities in our urban and rural markets for a long time. The supply of many commodities had to be subjected to the rationing system and supply coupons had to be used for the purpose. At that time, the problem with commodities was mainly one of whether they were available or not and commodities that were of substandard quality, high-priced, and simple design could all be readily marketed. Recently, following the large-scale development of production and the development of commodity economy in both the urban and rural areas, the situation has changed greatly. The sources of supply of commodities have gradually become plentiful. The purchasing power of the populace has rapidly increased. Demand is daily increasing for good quality, attractive, new commodities. The sellers market characterized by supply lagging behind demand has been steadily liberalized and gradually given way to a buyers market. The previous situation of "grasping banknotes to make crash purchases" has been shifted to one of "holding money in hand and making purchases selectively." Commodities which are substandard quality, high-priced, and old-fashioned have become stockpiled in large quantities due to inability to find a market. In the third and fourth quarters of 1985, the state quality supervision departments conducted a sampling survey of 78 categories of products. Of the 1,464 kinds of commodities of 1,079 enterprises subjected to the sampling, only 64 percent were found to be up to standard in quality. In the first quarter of this year, a sampling survey of 20 categories of products was conducted. It was found that of the 464 kinds of commodities of 345 enterprises subjected to the survey, only 65.3 percent were up to standard. As soon as the survey results on these products were made public, their sales dropped sharply, there was widespread cancellation of orders, and the enterprises responsible for the production work were forced to stop production and to go through consolidation. This caused a large-scale drop in their profits and the living standard and welfare of the staff members and workers were seriously affected. In the case of many heavy industrial products, due to the reduction in the proportion of mandatory production plans of the state, the expansion of the decisionmaking power of the enterprises in making purchases of materials, the formation of markets for means of production and the opening up of the localities, they have met with increasingly severe competition and can no longer depend on the state's unified purchases and sales as in the past or on local administrative measures of a protectionist nature to maintain their production. Moreover, as a result of economic construction and development of scientific and technological enterprises, and demand for very good or excellent, high quality heavy industrial products is increasing while those old products that consumed much energy in production, and were low in grading, poor in function and in quality, and backward in technology have gradually been eliminated. This is to say: Development of the situation has compelled the light industrial enterprises and the heavy industrial enterprises to concentrate on overhauling the variety of their products and on improving their quality and to count on this as the only way out.

Third, it is absolutely necessary to rectify the situation where enterprises are responsible for profits only and not for losses. In recent years, with the development of the reform, a change has begun to be made with regard to the phenomenon of the enterprises "eating from the same big pot" at the expense of the state and the staff members and workers "eating from the same big pot" at the expense of the enterprise. The vitality of the enterprises has been greatly strengthened. But the great majority of the enterprises under the system of ownership by the whole people have not yet truly become solely responsible for their profits and losses. Rather, they readily share in the profits but, in the event of losses, they continue to rely on subsidies from the state. This is to say: The enterprises are still lying in the state's bosom and engaging in the practice of "everybody eating from the same big pot," without taking the risks of meeting with many of the mishaps and forces of pressure of market competition. During the Seventh 5-Year Plan, we must endeavor to speedily bring to a close the current situation of the coexistence of the new and old structures, their mutually playing their roles, and the frequent occurrences of friction and contradiction, and basically change it to the track of the new structure playing the leading role so that by far the largest number of enterprises truly become producers and entrepreneurs of socialist commodities, being solely responsible for their profits and losses. Enterprises which have for a prolonged period performed poorly in operation and management should be reorganized or closed, suspended or shifted to other lines of production. Those enterprises which have suffered heavy losses and cannot continue operation should be allowed to declare their bankruptcy. Certain reform measures that have already been adopted (such as starting the collection of certain new taxes, transforming appropriations from the finance department to credit and loans from banks, and so on) and various new reform measures that will shortly be adopted (such as stipulating that all products should gradually adopt international standards or foreign advanced standards, pricing according to the quality of the products) have shown that simultaneously with invigorating the microeconomy, self-restriction of the enterprises should be strengthened, that the enterprises' work style and mechanism should be perfected, and that the enterprises should be compelled by various means to improve their work, to concentrate their attention on improving operation and management, pursue technological progress, and enhance the economic benefits, otherwise they will be eliminated. In short, the reform will aim at making all the enterprises accept the law of the "survival of the fittest." Whether to drift along, be resigned to circumstances and eventually be eliminated by the tide of reform or to open up, create something new and fight against the currents and advance is a serious test which each and every member of the leadership and each and every one of the broad masses of staff members and workers must undergo.

Fourth, competition in the international markets is daily becoming increasingly severe and demands made on export products have continuously risen. In recent years, as a result of our country's firmly adhering to the policy of opening up to the outside world and greatly developing foreign trade, the volume of our export trade has been rapidly growing at an average annual rate of around 7 percent. But, seen as a whole, the competitive power of our export products in the world market is still very weak. They comprise mostly primary products while refined products are rare; low-grade products are plentiful and high-grade products are scarce. Old products and traditional popular goods of dependable quality are plentiful while first-rate products which are new and can open up a new situation in the world markets are rare. Many of the export products have the problem of having low technological standards, antiquated design, little variety, poor quality, outmoded packing, slow or late delivery, rigid management, and an extremely low capacity to earn foreign exchange, even occasionally incurring losses. At present, in the world markets, supply exceeds demand, trade volume has fallen off, the prices of many commodities are on a downward trend and competition is gradually increasing. How to fit in with this new situation, reform the foreign trade structure, set up an export goods production system and vigorously improve the variety and quality of the export goods and services in connection therewith all constitute problems of great importance. Basically speaking, competition in the world markets is competition in technology. At present, internationally, a new technological revolution is rising. Rapidly developing high technology will be extensively employed in social production and the people's lives. It will vastly change the countenance of the enterprises. Many traditional industrial products will successively be eliminated from the world markets. Our enterprises must closely observe the developments in the international economic and technological situation. They must redouble their efforts from various sides to greatly raise the cultural and technological level of their staff members and workers, tightly grasp, learn, and apply the world's new scientific and technological achievements, step up the adoption of international standards and the carrying out of their own technological transformation, ceaselessly study, formulate and promote new artcraft and new products, and enhance the suitability of their products in the world markets. To be complacent and conservative, to continue to use the old methods, and to sell old products abroad to earn foreign exchange will certainly not be workable and will only result in rejection by the world markets.

The above situation illustrates that our country's enterprises are currently facing an unprecedented challenge and that this challenge is a long-term one, which tends to be increasingly penetrating. Only through striving hard to enhance one's own quality, and devote great efforts to improving the quality of the products, increase their variety, lower the consumption rate of raw materials and enhance the benefits can the enterprises find their way out. In his "Report on the Seventh 5-Year Plan," Comrade Zhao Ziyang demanded that all leadership persons of enterprises, all entrepreneurs and all staff members and workers "fully understand the rigid demands on the enterprises in the new situation of the reform," and "insist on making tireless efforts to improve the quality of the enterprises." This is extremely profound and timely.

In the new situation, all the enterprises should meet the demands of developing socialist commodity economy and greatly transform the guiding ideology, management system, and operating methods in running the enterprises. They should strengthen their concepts of quality and benefit, and shift their attention to further improving the quality of the products and enhancing the economic benefits; they should reinforce their concept of being suited to the market and of social needs, vigorously develop new products, increase the output of marketable products, products of well-known brands and of good quality and those which are suited to social demands in their quality, properties, design and variety, packing appearance and sales prices. In all cases, they should be responsible to the end-users and to the consumers. They should reinforce their concept of making more contributions to the people's welfare and making the country powerful and wealthy. Through providing products of superior quality and rendering good services, they should better satisfy the people's increasing material, cultural, and livelihood needs and provide more net receipts for the state. The enterprises should, under the guidance of the plans and policies of the state, and in accordance with the socialist construction needs and changes and evolutions in supply and demand relations in domestic and foreign markets, make full use of the market mechanism, promptly make correct decisions, improve management and operation and promote the technological progress. It is absolutely necessary to thoroughly break with, and eradicate, the old concept of natural economy which is dislocated from the market, the ossified rules and regulations which have "unification" as their special feature, the operation forms which are completely suited to a buyers market and work method which wholly adheres to mandates from the higher-level departments in charge. As socialist commodity producers and operators, the enterprises must continuously offer products of even better quality, newer designs and greater variety in participating in market competition and, in the course of the competition and struggles, ceaselessly enhance themselves and seek more and higher economic benefits.

In the new situation, enterprise leaders must look inward, strive hard to become stronger, to open up, and advance. Naturally, the economic activities of enterprises cannot be separated from their external conditions and the state is currently endeavoring to create a good environment for the enterprises by means of taking further steps in reform. However, unless they make sufficient subjective efforts, even better external conditions will not help. The existing economic structure of our country is really irrational, the various economic relations are not yet in good order, and the enterprises' good external conditions have not yet been formed. But even under such circumstances, it is not true that the enterprises are helpless. On the contrary, they have much work to do and plentiful potential to tap. Very frequently, we have come across cases like the following: Enterprises which have more or less the same conditions, differ greatly from each other in their economic benefits. The fundamental reason is that the quality and subjective efforts of their leaders are strikingly dissimilar from each other. For example: Regarding questions on how to improve the quality of management personnel and the broad masses of staff members and workers so as to make this working team all the more efficient and powerful; how to apply the correct remedial measures, to meticulously plan, to resolutely make decisions, and to perform overall handling of the enterprises in a down-to-earth manner; how to, following changes in the external conditions, promptly change the direction of management, do a good job in reforming the various management systems, and maintain the best combination of the various internal factors, and so on, must all rely on fully displaying one's own subjective initiative, and cannot rely on the state, far less on reform of the structure. Truly, this is a question of everything depending on one's self. All the staff members and workers of an enterprise, particularly its leading people, should know the situation clearly, establish a strong sense of responsibility and sense of urgency and should be imbued with a frontier spirit, equipped with a lofty ambition to build up a first-rate enterprise, overcome the erroneous ideas of relying on support from the state and the practice of "everybody eating from the same big pot," and also overcome the sentiments of fearing difficulties and cowardly and lazy ideas. At the same time, they should thoroughly eradicate the bad work styles of extravagance, formalism, and speaking empty words. They should set up an attitude of really seeking truth from facts and working hard. Only by so doing can the enterprises continuously improve their image, strengthen their capacity to meet contingencies and avoid falling behind others in this swiftly developing situation.

In the new situation, the leadership of enterprises and the broad masses of staff members and workers must be united, be concerted in their actions, and fight hard against all odds. The reform conforms with the basic interests of our working class and exerts an enhanced demand on each and every staff member and worker. The leadership of enterprises should consciously grasp and carry out the party's and the state's guidelines and policies and firmly rely on the party's organization, the staff members, workers and the populace, actively pushing forward the reform. They must firmly and unrelentingly promote and continuously perfect the plant principal's (manager's) responsibility system, reform the organization structure, strengthen the production administrative and directing system, scientifically organize the various kinds of personnel, to the end that each and every one of them is suitably positioned and can fully display his or her talents. They should insist on, and perfect, the various kinds of economic responsibility system with contracting as the principal form. Moreover, they must, by means of lively, vivacious, penetrating and detailed ideological and political work, integrate the economic responsibility system with the political sense of responsibility. It is necessary to perform a good job in the training of cadres and staff members and workers, continuously improving their political, cultural, and technological quality. The broad masses of staff members and workers should fully display their role as masters of the house, continuously improve their own ideological consciousness and cultural and technological level, perform their jobs earnestly and well, extensively develop rational recommendations and technological renovation activities, actively participate in the enterprises' democratic management, support the enterprises' leadership to perform various jobs well, consciously submit plans and recommendations for the development of the country's construction and for the enterprises' prosperity, share the enterprises' cares and burdens, exert their utmost efforts, and contribute their strength to the promotion of the socialist modernization program.

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WHAT CONSUMPTION POLICY IS CHINA PRACTICING AT THE PRESENT STAGE?

Beijing RED FLAG in Chinese No 12, 16 Jun 86 pp 39-40

[Article by Ding Shengjun [0002 5116 0193]]

[Text] Consumption is a vast and complex field in the economic life of society. Whether or not the consumption problem has been handled correctly is related to the development of production and construction, to the elevation of the standard of living of the people, and to the success or failure of the policy of social stability. The consumption policy our country is practicing at the present stage is that under the conditions of the improvement of the labor productivity rate, a steady increase in the fiscal revenues of the state, and a rational proportion between the accumulation fund and the consumption fund, the consumption level is gradually raised and the consumption structure is rationally improved. This policy is in conformity with the principles of Marxism and with our country's national conditions.

This policy correctly handles the dialectic relations between production and consumption and conforms with the basic motive of social production. Marxist principles relating to social reproduction denote that production, distribution, exchange and consumption constitute an integrated process of organic combination and reciprocal reliance for existence. A definite volume of production determines a definite volume of consumption. However, under definite conditions, consumption also determines production. This is because consumption is the direction and purpose of the normal operations of social production and is also the precondition and motive power of the development of social production. Through consumption, the reproduction of labor power is realized and the basic conditions for the continued operations of social production are created: By means of consumption, simultaneously with the satisfaction of mankind's original demands, new demands are generated and thereby promote society's two large categories of production to progress at the same pace and to grow in unison; by means of consumption, a precondition is created for opening up markets and expanding the scale and increasing the speed of circulation; and by means of consumption, the general process of social production can be examined to see if its various stages have operated normally and if the socioeconomic benefits are good or bad. It can thus be seen that consumption occupies an important position and plays an important role in social reproduction. Just as Marx said: "Without production, there will be no consumption, but, without consumption, there will be no production because in such a case, production serves no purpose." ("Selected Works of Marx and Engels," Vol 2, p 94)

Since between production and consumption there is a dialectic process of a reciprocal role affecting each other, the kind of concept which negates consumption and lightly regards consumption but calls for "stressing production and slighting consumption" and "production first, consumption second" is erroneous. Lopsidedly restricting consumption will lead to evil results, such as social production losing its motive power, production of the means of consumption and the means of production and development of tertiary industry being hampered, and the people's standard of living and production and construction will be ill-affected. Hence, we must firmly abandon the policy of lopsidedly restricting consumption.

However, a policy of abandoning the restriction on consumption hardly means that consumption can be expanded unlimitedly or that a policy of high consumption should be enforced. This is because a definite consumption level must be suited to a definite level of income. At the present stage, our country's labor productivity rate is much lower than that of capitalist countries whose nationals enjoy high income and practice high consumption. We do not possess yet the conditions of enforcing high consumption. As everybody knows, the end distribution of national income is to the accumulation fund and the consumption fund and the consumption fund is again divided into the individuals' consumption fund and the social consumption fund. While the consumption fund is naturally all expended on consumption, a portion of the accumulation fund is also formed into subsequent or continued consumption, so-called nonproductive accumulation. Thus, the consumption fund and the portion of nonproductive accumulation of the accumulation fund both eventually become the actual consumption portion of the national income. Under definite conditions of the national income, the portion expended on actual consumption restricts the volume of production and construction funds. Therefore, it is necessary to handle appropriately the relations between the two. In this creative period of the growth of our national economy, if we lopsidedly encourage the principle of "being able to earn as well as to spend," and carry out the policy of high consumption, then the consumption fund will be greatly swollen. It will elbow out the production and construction funds and will lead to the development of the national economy losing its impetus, bringing about the excess distribution of the national income. This will naturally adversely affect the scale and speed of the development of social production. In the end, the consumption fund will have to be cut down and the excessively high consumption will have to be abandoned.

The correct way is: In the distribution of the national income, we should keep expenditures within the limits of income, make overall plans and take all factors into consideration, carry out an overall balance and correctly handle the relationship between the part and the whole, the present and the long-term future, living and production and the cities and the countryside. Of these, we should particularly put in good order the relationship between the trio sectors of reform, construction and livelihood. Starting from this principle, it is necessary to bring about, in a planned and controlled manner, the growth of the consumption fund and maintain a suitable ratio between the accumulation fund and the consumption fund and between the consumption fund, the national income and the labor productivity rate, to the end that economic reform, production, construction and improvement of the standard of living will be mutually coordinated and will progress at the same pace.

This policy calls for acting according to one's capability and correctly guiding consumption in accordance with the consumption regulations. Enhancement of the consumption level is subjected to definite laws. First of all, the needs for the means of subsistence must be satisfied, that is to say, we must meet man's basic needs for food and clothing; on the basis of satisfaction of the needs for means of subsistence, we may proceed to seek the means of enjoyment and means of development. Enhancement of the consumption level should be governed by definite objective laws and should select a rational consumption structure.

At present, speaking as a whole, our country has basically solved the people's food and clothing problems and the people have begun to change over to a "comparatively well-off" type of standard of living. To conform with this change, the steps in raising the standard of living should not be too fast, or too big, but should be adequate, suited to the times, and in an appropriate degree so as to enable an all-round balanced growth of the various consumption items such as clothing, food, residence, articles of daily use and labor. Our country has a huge population. Relatively speaking, our cultivated land, grassland and pastures are rather scanty. At the present stage, and for a rather prolonged period from now on, the food composition of our people should be principally grain and other kinds of vegetable food and gradually change over to consumption of meat, fowls, eggs, milk and other kinds of food of animal life. Nutriologists of our country, reasoning from the standpoints of human physiological needs and the special features of the country, have advanced the theory that our food composition should constitute food grain as basic, supplemented by fruits, vegetables, beans, edible oils, and sugar and rationally increased by meat, fowls, eggs, milk and other kinds of food of animal life. In their deliberations, specialists have acknowledged this theory as, relatively speaking, reasonable. Indeed, there is no need for us to adopt in a wholesale manner Western food patterns. The clothing composition of our people should principally be based on cotton textiles and chemical fiber blend fabrics. Following the development of animal husbandry, we should gradually increase the consumption or use of pure woolen goods and leather-made goods. The acute shortage of electric power in our country is not anticipated to diminish in the near future. Hence, use of household electrical goods, particularly those which highly consume electricity, such as air conditioners, hot or cold air electric fans, and so forth, should be increased only to a limited degree. Their production and import from abroad should also be under control. Improvement of the residential conditions should also be gradual. Building areas should not be too large and construction standards should not be set too high.

Summing up the above, a consumption policy which is coordinated with production and calls for a gradual enhancement of consumption can abandon the metaphysic viewpoint of neglecting consumption and restricting consumption; it can also banish the erroneous tendency of overlooking the national conditions and lopsidedly seeking a high standard of consumption. On the one hand, it ensures the gradual advancement of the people's standard of living and, on the other hand, it helps economic reform, production, construction and improvement of the standard of living to progress in a concerted and coordinated manner and to promote each other's development. This thus is the correct consumption policy for our country to follow at the present stage.

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'REPORTS ON IDEOLOGICAL PROGRESS AND PROBLEMS' AND STANDARDS FOR PARTY MEMBERSHIP

Beijing RED FLAG in Chinese No 12, 16 Jun 86 p 41

[Article by Sheng Zuhong [4141 4371 1347]]

[Text] I have two friends who are intellectuals. One is close to 60 years old. In the early years after liberation, he firmly decided to give up a well-off life and good conditions abroad and, cherishing the idea of contributing his efforts to new China, returned to China. He earnestly submitted a request to join the party 30 years ago and, although all along he has vowed to adhere to this course, he is still "adrift" outside the party. The other friend is over 40 years old. He submitted an application to join the party in the early 1960's, but was only accepted for membership the year before last.

Speaking fairly, these two people seem much the same, being equally honest and enthusiastic and both cherishing a "pure heart." However, in the same unit, one of these persons was able to enter the party and the other was not. Where then lies the difference? According to the words of the younger of the two, "I have been more diligent in writing my reports on ideological progress and problems."

In those years when intellectuals were referred to by such restricting terms as "bourgeoisie," it can be imagined that it was very difficult for them to enter the "great door" of the working class vanguard. Since the 3d Plenum of the 11th CPC Central Committee, the party Central Committee has made great efforts in bringing order out of chaos on the question of intellectuals. However, it seems that there are still some of the old ideas and old customs around. Perhaps the experiences of these two friends in applying to enter the party show us some of these.

If intellectuals do not write numerous "reports on ideological progress and problems" and they cannot enter the party, some comrades think that it is because these intellectuals "have not drawn sufficiently close to the organization," "have not paid sufficient attention to politics" or "have not been entirely correct in handling the relationship between being Red and being expert." It is possible that the elder comrade is still outside the party organization for reasons such as these. How often "reports on ideological progress and problems" should be written, what they should contain and so on have always been difficult to decide upon. I am not saying that there is absolutely no need to write reports on ideological progress and problems. It should be said that the most basic requirements of those comrades who wish to join the party is that they report their ideological situation to the party organization in a sincere, honest and voluntary manner. However, it must be said again that reports can be of various types and forms, and the number of reports written by someone on their ideological progress and problems cannot be taken as a standard for acceptance as a party member. In looking at whether a person can join the party or not, we must assess that comrade's actions on the basis of the party Constitution, see whether he is diligent in working for the four modernizations and whether he is contributing himself to the happiness of the people. If we only pay attention to the number of written reports he submits on his ideological progress and problems, is this not paying attention to trifles at the expense of the essentials? Being diligent in writing reports on ideological progress and problems so that one is seen as "getting close to the organization" and "keen on getting admitted," and people who are good at this get admitted, it could also produce another type of malpractice. That is, it will be easy for the small number of people whose motives are not good and who wish to join the party for private gain to avail themselves of the loopholes. They do not put their efforts into the four modernizations but spend their time trying to fathom their leaders' minds so that they will know how to write the reports on their own ideological progress and problems well. They are engrossed with external appearances and put all their efforts into this avenue.

When intellectuals desire to join the party, they should also be subject to a strict overall examination in terms of the standards for party members set down in the party Constitution. Many intellectuals dearly love the party, are close to the party and trust in the party, but they are not used to putting their feelings into words or onto paper. Rather, without attracting attention to themselves, they study their specialities, do their work diligently, subject themselves to stringent discipline and through this manifest their sincere hearts. Is not every invention or creation they realize in practice, every creative work, every article, and every achievement in work the best "ideological report" they can provide to the party organization? If we take the initiative to draw close to them and understand them, it will not be difficult to discover these sincere feelings. Enthusiastically helping them so that they meet party standards as quickly as possible is an unshirkable task of our organizational work. In the case of some comrades, what they call making a report to the organization actually refers to having reports made to them personally. "Being insufficiently close to the organization" actually means that someone is insufficiently close to them personally. Or else they feel that intellectuals have some "innate shortcoming" and unless they make several times the efforts made by other people, they should not be able to enter the party. This, I am afraid, is one of the reasons why intellectuals have difficulties entering the party.

It seems that we must further rid ourselves of the "leftist" ideological fetters, do away with the old formalist ideas and conventions like "the more reports made, the better" and eliminate the biases against intellectuals.

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A DAUNTLESS, UNYIELDING MAN WHO ALTHOUGH LAME KEEPS A STRAIGHT BACK--REVIEWING THE SILK STRING OPERA 'THE LAME SECRETARY CLIMBS THE MOUNTAIN'

Beijing RED FLAG in Chinese No 12, 16 Jun 86 p 42

[Article by Li Qingcheng [2621 1987 2052]]

[Text] In a village in the mountainous area of Hebei, the outgoing brigade leader desiring to provide his son and daughter-in-law with a place to live, makes use of his position and decides to take over some good fields to build them a house. A struggle to protect the farming land thus ensues...of course, following repeated intense arguments, the house is not built. However, struggles are tough, "harsh and perilous."

Only if works of literature and art reflect the emotions and the wishes of the people can they arouse a sympathetic response among readers and viewers. The modern opera "The Lame Secretary Climbs the Mountain" which has been written and is performed by the Shijiazhuang Silk String Opera Troupe deeply reveals the contradictions and struggles in real life and uncovers and criticizes those unhealthy tendencies which indeed exist in life (rural cadres using their positions to take over good fields on which to build houses is a very representative example). Thus, it has elicited a strong response among the viewers and when it was performed in the capital, it received favorable comments. The playwright, the director and the performers have used the silk string opera form, which has a long history, to successfully portray characters and reveal themes, in a way in which content and form create a consummate unity. The overall performance has a strong flavor of life and the fresh style of a comedy.

The images of the many rural grassroots-level cadres portrayed in the opera who have this or that type of problem and who all have a representative nature are: The deputy secretary of the brigade who uses his position to seek private gain; deputy commune head Wang whose revolutionary will has waned and who handles matters in a perfunctory way; deputy secretary Zhang of the county party committee who only reports good news to the upper levels and has no party spirit or principles; and the old team leader who capitalizes on his achievements in an attempt to seek private gain. Even the brigade security leader, a "minor character" who adjusts himself to the prevailing winds is depicted in the opera very vividly and keenly. It is from these people that the unhealthy trends blow, harming the interests of the party and the people. "The Lame Secretary Climbs the Mountain" allows unhealthy trends to be criticized and negated through the laughter of the audience. At the same time, the opera successfully depicts the lame secretary who struggles against these unhealthy trends.

The character of the lame secretary is very real, kindly, touching and truly believable. He is reasonable and very human. He respects his mother, uncle and aunt, and sincerely loves his wife. His "stressing of humanity" does not violate principles and does not harm the interests of the collective or the state. However, those people who engage in unhealthy activities establish in all places "human relationship gates" and "relationship networks," and use these to achieve their goal of obtaining benefits through their positions. At times, they have no other option. The opera places stress on depicting how the lame secretary dares to go against the unhealthy tendencies and how he expends great efforts in this, as well as the winding course by which, with the support of the masses, he actually handles the difficulties. After repeated struggles, it is as if victory has been achieved, the performers have no more "drama" to act and the audience also thinks the show is ending. However, unexpectedly there is "trouble in the house." Facing his uncle sick in bed, his aunt wailing loudly and Dasheng and Xiaoxia kneeling imploring him, he is in a terrible fix. His mother takes up a stick and beats him until he aches and then his wife takes his place in receiving the punishment. Finally he is forced to cover his head and squat down. This description not only does not harm the qualities depicted in him but rather strengthens the authenticity and touching qualities of this character. This gives him quite a strong artistic appeal. The lame secretary's praiseworthy spirit of daring to abide by the party spirit and principles, to break through the "relationship network" and to resist the unhealthy tendencies has very real educational significance. In this lame commune secretary with the fine work style we can see our party's traditional work style and its great healthy atmosphere.

In the characterization of the lame secretary, the artistic creativity of the director and the performers has been given fairly full play. The playwright was very ingenious in using the term "lame." The commune secretary's lameness is not seen purely as a physiological injury. Rather, it is a wound from 10 years of catastrophe and this has some symbolic meaning. He politely refuses the "humanity" of his aunt in offering to nurse his injured leg, which brings more twists and turns to the story and adds further levels to the beauty of the spirit of the lame secretary. In actual life, lameness is not beautiful, but on the stage, this secretary has "beauty in lameness." The actors have not blindly sought a superficial reality and instead have studied lame people in life. Through repeated investigation and study, they found a movement which accorded with a sense of propriety. This allows the audience to have feeling for the lame person, but not to feel that he is a clown. It creates a "successful lame person" who conveys to people a sense of beauty. This results in the artistic image of the commune secretary, in the spiritual portrayal and depiction, reaching a high level.

The laughter and applause of the audience provides an impartial appraisal of this play. This is also encouragement for and commendation of, the playwright's creative attitude in warmly loving life, warmly loving the peasants, warmly loving the earth and in embracing the times. The success of "The Lame Secretary Climbs the Mountain" eloquently proves that life remains the source of literature and art. Some friends who advocate weakening the background of the times, and orienting things more toward self and who turn their backs on reality will gain some inspiration from this. I truly hope that these friends can, with their new works, win the great laughter and applause which has greeted this work.

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MAKE THE MOTHERLAND GREEN, BRING BENEFITS TO THE PEOPLE--READING THE 'SELECTED WORKS OF DONG BIWU ON FORESTRY'

Beijing RED FLAG in Chinese No 12, 16 Jun 86 inside back cover

[Book review by Ren Jingyang [0117 2529 7122]]

[Text] Comrade Dong Biwu, that outstanding national leader and proletarian revolutionary of the elder generation who enjoyed the great love and esteem of the people of all nationalities in the country, paid much attention to and was greatly concerned with our nation's forestry development while he was alive. "Selected Works of Dong Biwu on Forestry" which was published last year by the ZHONGGUO LINYE CHUBANSHE and which has been reprinted this year, collects together many speeches made and articles, poems and correspondence written, on the question of forestry by Dong Biwu while he was alive.

With the foresight and sagacity of a proletarian revolutionary, Old Dong called on the people of the whole country to feel an appropriate sense of urgency in respect of our nation's forestry development. "Go in for Forestry in a Big Way so as To Accord With the Needs of National Economic Construction" which is the first section of the "Selected Works" points out that China's forestry should catch up with that of nations like Finland and Sweden who are advanced in forestry. After citing the quantities of timber needed by the state and the current situation in forestry, he points out that now we should go in for forestry in a big way, rouse ourselves to catch up and realize the modernization of forestry so as to meet the needs of our national economic construction.

In respect of our nation's afforestation and greening work, Old Dong had an overall plan. He repeatedly stressed that if our nation's forestry was to catch up with that of the internationally advanced nations, apart from greatly developing afforestation in the large forestry areas of the state, it is more important that we mobilize the peasants, staff and workers, armymen, students and all trades and businesses to engage in afforestation. This is the basic take-off point for swiftly developing our nation's forestry. In "Several Ideas on Afforestation," he pointed out that motivating the peasants to engage in forestry in a big way can ensure that there will never be shortages of timber. Having railway and highway operations take afforestation as a component part of their business is a timber resource which has great potential to be tapped. All provinces and regions can use the troops stationed within their borders to annually engage in afforestation and, in a planned way, eliminate waste mountains and uncultivated land. The students of the nation are also a great force for afforestation. How then are we to realize this plan? In "Several Problems We Must Pay Attention To Resolving in Afforestation Work," Old Dong points out: 1) We must resolve well ideological problems. We must get clear that afforestation is not only a question of resolving the problems of the state's lack of timber and the people's needs, and that it is not only a specialized professional problem of the forestry departments. Rather, it is a question of guaranteeing the realization of an overall plan with agriculture as the base. 2) We must establish various systems and set down forestry rights. We must encourage the protection of forests and provide rewards for this. We must also condemn actions which harm forests and provide penalties for such actions. 3) We must formulate an afforestation plan. There must be a nationwide plan for the nation, provincial and regional plans for provinces and regions, and prefectural and county plans for prefectures and counties. Old Dong felt that after the plans are formulated, the most important thing would be to stress leadership. He said that party committees at the provincial, prefectural, county and commune levels should have a secretary or deputy secretary to manage forestry. In the governments, there should also be a governor or deputy governor, a director or deputy director, a county head or deputy county head, a commune leader or deputy commune leader to be separately responsible for forestry. When party committees and governments at various levels call work meetings, they must make arrangements for afforestation work and, when investigation work is carried out under leadership at various levels, afforestation should be a major component of the investigation.

If we want to completely realize the plan for afforestation and greening work, we must use the model experiences of individual points to guide overall work. That is, we should use individual points to guide overall work. In "A Letter to Comrade Tao Xijin," Old Dong praised the establishment of the Wutang experimental area in Yongning County, Guangxi as well as the experiences in improvement of seedling plots and the establishment of specialized organs and specialized teams. In "Afforestation and Greening the Earth Is One of the Regular Annual Tasks of the Rear Area Troops," he affirmed the experiences of the party committee leaders in a particular army unit who paid attention to this question, made overall arrangements and motivated the whole unit. He especially praised the senior officers for leading the way in working together with the troops and for taking the initiative to link up with local governments. Old Dong repeatedly stressed that provincial-, prefectural- and county-level cadres responsible for managing forestry should, after resolving problems of ideological understanding and setting down plans, carry the task down to the grass-roots level. They should personally go down to the communes and production teams to gain first-hand experiences, to help the communes and teams resolve their difficulties (including the fixing of forestry rights, seedling raising, the arrangement of funds and the explanation of technology). After experience has been gained, these should be gradually propagated.

Afforestation and greening the motherland is our nation's basic national policy. After the smashing of the "gang of four" and especially since the 3d Plenum of the 11th CPC Central Committee, the party Central Committee has carried on the work left by the older generation of proletarian revolutionaries, paid more attention to and shown more concern for our nation's forestry, and formulated a series of correct principles and policies for forestry work. The publishing of "Selected Works of Dong Biwu on Forestry" has a deep and rural significance in further encouraging the enthusiasm of the people of the whole country for changing the appearance of the mountains and rivers, for greening the motherland and for opening new prospects in forestry development.

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